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VOLUME NO. **65**

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT  
OF PROCEEDINGS

Date Tues., Oct. 16, 1962

pp 12,962 -- 13,236



Supreme Court Reporters  
145 Yonge St.  
Toronto







VOLUME 65INDEX OF WITNESSES

**CUDNEY, Robert James**  
(Resumed)

By Mr. Estey -

EXAMINATION BY MR. ESTEY (CON) (Continued) ..... 12962

Q. We had got into the Columbia Bridge Club at the adjournment last evening.

A. Yes.

Q. And to get your mind back on the problem, this club was incorporated in 1946 and we saw there was a gap in the returns from 1937 to 1955 at which time they were all filed together. Then there is a cancellation of the charter in April of 1958.

A. Yes.

Q. Now, in your old file -- if they will put that file before you?

A. Yes, I have it here.

Q. Now, if we can just highlight of February, 1960, the report of Inspector Walker to Chief Mackey, it is seven pages long and I suggest you don't take the time to read it now.

THE COMMISSIONER: What is the date of it?

MR. ESTEY: It is the 17th of February, 1960, my lord.

Q. You will see that it mentions in



VOLUME 62

INDEX OF WITNESSES

GUINLEY, Robert James  
(Deceased)  
By Mr. Hefey -  
(Continued) ..... 19305

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A/JBM:G/1

TUESDAY, OCTOBER 16, 1962

---On resuming at 10.10 a.m.

ROBERT JAMES CUDNEY, resumed,

EXAMINATION BY MR. ESTEY (CONT'D):

Q. We had got into the Columbia Bridge Club at the adjournment last evening.

A. Yes.

Q. And to get your mind back on the problem, this club was incorporated in 1946 and we saw there was a gap in the returns from 1937 to 1955 at which time they were all filed together. Then there is a cancellation of the charter in April of 1960.

A. Yes.

Q. Now, in your old file -- if they will put that file before you?

A. Yes, I have it here.

Q. Now, if we can just highlight of February, 1960, the report of Inspector Walker to Chief Mackey, it is seven pages long and I suggest you don't take the time to read it now.

THE COMMISSIONER: What is the date of it?

MR. ESTEY: It is the 17th of February, 1960, my lord.

Q. You will see that it mentions in



EXHIBIT

THE UNITED STATES OF AMERICA

IN SENATE

COMMISSIONER OF THE GENERAL LAND OFFICE

Q. We had for some time the Columbia River  
Club as the organization and eventually.

Yes.

And to go to your mind back on the

program, this club was incorporated in 1904.

and we saw there was a gap in the returns

from 1897 to 1900 at which time they were

all filed together. Then there is a

reorganization of the chapter in April of 1900.

Now, to your old time -- in 1907

What was that time before you?

A. Yes, I have it here.

Now, if we can just distinguish

of January, 1900, the report of Inspector

Walter to Chief Mackey, it is seven pages

long and I suggest you don't take the time

to read it now.

THE COMMISSIONER: Please the case of 1907

Q. Now, it is the 17th of February,

1900, in 1900.

Q. You will see that it relates to





1 connection with several of the individual club  
2 records that they have advised the police they  
3 had never been to a meeting?

4 A. Yes.

5 Q. You see the report of Sam Black?

6 A. Yes.

7 Q. And the same comment for James  
8 Gorrie?

9 A. Yes.

10 Q. He says he knows<sup>nothing</sup> about the Columbia  
11 Club?

12 A. Yes.

13 Q. And Theodore Johnson had lived at  
14 that address for the past forty years?

15 A. Yes.

16 Q. And Chris Woods, he had never been  
17 a member?

18 A. Yes.

19 Q. And Mr. Bell has said he had never  
20 been a member?

21 A. Yes.

22 Q. Then they came to the conclusion  
23 that the charter was fraudulently obtained --  
24 that is towards the end of the report; do  
25 you see that?

26 A. Yes.

27 Q. Chief Mackey when he forwarded  
28 that report in a letter dated the 22nd of  
29 February, 1960, says:  
30



connection with several of the individuals of the  
records that they have advised the police that  
and never been to a meeting?

A. Yes.

Q. You see the report of Mr. Gandy?

A. Yes.

Q. Is that a copy of the report?

Yes.

A. Yes.

Q. He says he knows about the Columbia

Club?

A. Yes.

Q. And therefore Johnson and Hill are

last address for the past forty years?

A. Yes.

Q. And Charles Woods, he had never been

to the club?

A. Yes.

Q. And Mr. Bell has said he had never

been to the club?

A. Yes.

Q. Then they came to the conclusion

that the character was trustworthy, obtained --

there is towards the end of the report; is

that not right?

A. Yes.

Q. Chief Meeky when he furnished

this report in a letter dated the 22nd of

February, 1948?





1 "For your information the persons  
2 "connected with the club are  
3 "connected with the Bellevue Bridge  
4 "and Social Club."

5 A. Yes.

6 Q. And, as you can see, he says they  
7 were gambling and conspiring to commit crime?

8 A. Yes.

9 Q. Having received that report, you  
10 wrote a memorandum on the 15th of March,  
11 1960, to the then Provincial Secretary, and  
12 perhaps you will be good enough to read that  
13 memorandum?

14 A. This is a letter dated March 15th,  
15 1960, from myself to the Hon. Dr. Phillips:

16 "I refer to our conversation  
17 "of to-day relative to the above  
18 "club, which is incorporated under  
19 "The Ontario Companies Act by  
20 "letters patent dated August 13th,  
21 "1936. The premises of the club  
22 "are located at 372½ Yonge Street,  
23 "Toronto.

24 "The Metropolitan Toronto  
25 "Police have made complaints to  
26 "this Department in respect of  
27 "illegal gaming and betting  
28 "activities upon the club's premises.  
29 "The Metro Police have received  
30



"connected with the club are

"connected with the Bellevue Hotel

"and Social Club."

"Yes,

"And, as you can see, no other

were gambling and conspiring to commit crimes

"Yes,

"Having received that report, you

wrote a memorandum on the 15th of March,

1900, to the then Provincial Secretary, and

perhaps you will be good enough to read that

memorandum.

"This is a letter dated March 15th,

1900, from myself to the Hon. Dr. Blair:

"I refer to our conversation

"of to-day relative to the above

subject, which I have just

"The Ontario Companies Act by

"letter patent dated August 1900.

"1900. The premises of the club

"are located at the corner of

"Toronto.

"The Ontario Companies Act

"Police have made complaints to

"This is because in respect of

"the act of gaming and betting

"activities upon the club's premises.

"The Metro Police have received





1 "complaints from people in the vicinity  
2 "such as business men.

3 "From the time of incorporation  
4 "in 1936 to 1953 the club never filed  
5 "annual returns to this Department.

6 "In 1953 it appears that all annual  
7 "returns were filed and such arrears  
8 "of returns showed the Board of

9 "Directors as the original applicants  
10 "of the club. This gave rise to a

11 "suspicion on the part of the  
12 "Department that the corporate powers  
13 "had been forfeited under the former

14 "Companies Act for non-user. In  
15 "this regard I may say that under  
16 "Section 27 of the former Companies  
17 "Act, which was repealed in 1954,

18 "if the corporation did not use  
19 "its corporate powers for two  
20 "consecutive years, the corporate  
21 "powers were automatically forfeited.

22 "In other words it was not necessary  
23 "for this Department to forfeit the  
24 "powers but they were automatically  
25 "forfeited by operation of law for  
26 "non-user.

27 "With such possible forfeiture  
28 "in mind I wrote to the club on  
29 "January 28th, 1960, and asked the  
30



"complaints from people in the vicinity  
"such as business men.

"from the time of incorporation  
"in 1930 to 1933 the club never filed

"In 1933 it appears that all annual  
"returns were filed and also annual

"of returns showed the Board of  
"of the club. This gave rise to a

"suggestion on the part of the  
"and been forfeited under the former

"this regard I say that under  
"Section 27 of the former Corporation

"Act, which was repealed in 1954,  
"if the corporation did not use

"consecutive years, the corporate  
"In other words it was not necessary

"for this department to forfeit the  
"forfeited by operation of law in

"In 1934 I wrote to the club on  
"January 24th, 1934, and asked the



A/2

1 "club to produce all its books since  
2 "incorporation date. The books of  
3 "the club were produced but as is  
4 "usual in the case of clubs, the  
5 "only books available were those  
6 "subsequent to 1957. The club  
7 "stated that the books before 1957  
8 "had been lost or destroyed.

9 "The Metropolitan Toronto  
10 "Police, at our request, interviewed  
11 "the original incorporators of the  
12 "club whose names had appeared as  
13 "directors of the club from 1936  
14 "to 1953. There were four such  
15 "applicants and directors and three  
16 "were interviewed. The police  
17 "advise us that all three persons  
18 "interviewed claimed that they had  
19 "no connection with the club since  
20 "incorporation. This gives rise  
21 "to the belief that the club had  
22 "not used its corporate powers  
23 "from 1936 to 1953 as the persons  
24 "who were represented to be the  
25 "directors would certainly have  
26 "known and acted as directors  
27 "during these years if the club  
28 "had been using its corporate  
29 "powers. This information is  
30



"going to produce all its books since

"incorporation case. The books of

"the club were produced but as in

"many in the case of clubs, the

"books were not kept in the club

"headquarters to 1954. The club

"stated that the books before 1954

"had been lost or destroyed.

"The books of the club

"before 1954 were not kept in the

"club headquarters at the

"club whose names had appeared as

"directors of the club from 1930

"to 1954. There were four such

"appealants and directors and three

"were interviewed. The police

"advise us that all three persons

"interviewed claimed that they had

"no connection with the club since

"incorporation. This gives rise

"to the belief that the club had

"not used its corporate powers

"from 1930 to 1954 as the persons

"who were represented to be the

"directors of the club

"known and acted as directors

"during these years in the club

"had been using its corporate

"powers. This information is



1 "somewhat substantiated by certain evidence  
2 "which was given in the case of  
3 "R v. Harry Swartz before Magistrate  
4 "Graham in October, 1958. In that  
5 "case evidence was given by a witness  
6 "that the sum of \$3200 was paid to  
7 "Harry Swartz for a club charter.

8 "Accordingly I wrote to the  
9 "club on February 25th, 1960,  
10 "advising that it appeared that the  
11 "corporate powers had been forfeited  
12 "some years ago under Section 27  
13 "of the former Companies Act. I  
14 "also advised the club that it had  
15 "been brought to our attention that  
16 "there was strong evidence that  
17 "the club was operating its  
18 "premises as a common gaming house  
19 "in contravention of the Criminal  
20 "Code. We advised the club that  
21 "we were unable to overlook these  
22 "matters and the letters patent  
23 "would be cancelled one week from  
24 "the date of my letter. This  
25 "gave the club one week to request  
26 "a hearing to show they were  
27 "entitled if they so desired.

28 "Mr. Frank Nasso, Barrister,  
29 "in Toronto, acting for the club  
30



[illegible]



1 "called me and requested a hearing and  
2 "I fixed the date for such hearing for  
3 "Tuesday, March 15th, at 10.00 a.m.,  
4 "at my office. On Monday, March 14th,  
5 "the day before the hearing, Mr.  
6 "Nasso called me and advised that  
7 "his clients would not be present  
8 "at the hearing. He did not ask for  
9 "an adjournment nor did he give any  
10 "indication that they would appear  
11 "in the future. From my conversation  
12 "with him I gathered that his clients  
13 "had no intent to come to any hearing  
14 "and he advised me he had withdrawn  
15 "from the case.

16 "At 10.00 a.m. on Tuesday,  
17 "March 15th, the Toronto Police  
18 "appeared for the hearing but the  
19 "club or its legal representative  
20 "made no appearance. We waited  
21 "for half an hour and when the club  
22 "or its representative still made  
23 "no appearance we proceeded to  
24 "take evidence from the Metropolitan  
25 "Toronto Police. From the evidence  
26 "taken from the Police it appeared,  
27 "as above stated, that the ~~same~~ so-  
28 "called directors whose names  
29 "appear in the annual returns for  
30





"called me and requested a hearing and

"I fixed the date for such hearing for

"the day before the hearing, Mr.

"On Monday, March 19th,

"the day before the hearing, Mr.

"also called me and advised that

"his client would not be present

"at the hearing. He did not wait for

"an adjournment nor did he give any

"indication that they would appear

"in the future. From my conversation

"with him I gathered that his client

"had no desire to come to my hearing

"and he advised me he had withdrawn

"from the case.

"At 10.00 a.m. on Tuesday,

"I appeared for the hearing but the

"claim of the legal representative

"was no substance. He waived

"his right to hear and when the case

"on the representative's side was

"no substance we proceeded to

"take evidence from the defendant

"Toronto Police. From the evidence

"taken from the Police it appeared

"as above stated, that the claim was

"no substance and was

"dismissed in the usual manner for



1 "1936 to 1953 knew nothing of the club  
2 "or anything about its activities.

3 "Therefore it appears that the charter  
4 "was allowed to lapse during the  
5 "years 1936 to 1953 and the corporate  
6 "powers were forfeited automatically.

7 "Also it appears from the evidence  
8 "of the Toronto Police that a number  
9 "of raids have been made upon the  
10 "premises.

11 "There are numerous telephone  
12 "calls while the police are on the  
13 "premises to which the person who  
14 "answers the phone merely advises  
15 "that the police are there and hangs  
16 "up the receiver.

17 "Also there is evidence that  
18 "bets are being recorded on the  
19 "top of an arborite table with a  
20 "damp rag to wipe out the figures  
21 "after they are taken down.

22 "The premises are frequented  
23 "by persons who have long criminal  
24 "and gambling records.

25 "In view of the above it appears  
26 "that the corporate powers of this  
27 "club have been forfeited under the  
28 "former Companies Act for non-user  
29 "and notwithstanding such forfeiture,  
30





"1950 to 1955 knew nothing of the club

"and therefore it appears that the change

"was allowed to issue during the

"years 1950 to 1955 and the corporate

"Also it appears from the evidence

"of the Toronto Police that a number

"of raids have been made upon the

"clubs while the police are on the

"premises to which the person who

"answers the phone merely advises

"that the club is closed and that

"books are being recorded on the

"top of an upright table with a

"board used to wipe out the figures

"after they are taken down.

"The premises are frequented

"by persons who have long criminal

"and gambling records.

"In view of the above it appears

"that the corporate books of this

"club have been forfeited under the

"and notwithstanding such forfeiture,



1 "the club has purported to use its powers,  
2 "which is the grounds for cancellation  
3 "of the charter.

4 "Also from the evidence it appears  
5 "that there is a possibility that the  
6 "club is being operated for illegal  
7 "gaming and betting purposes.

8 "In the circumstances I would  
9 "strongly recommend, especially on the  
10 "basis that the club powers have been  
11 "forfeited and that the club has  
12 "operated notwithstanding such  
13 "forfeiture, that the charter be  
14 "cancelled."

15 Q. Now, it would appear that the  
16 grounds for forfeiture have been in existence  
17 in your file since 1953 and the cancellation  
18 was in 1960?

19 A. That is right.

20 Q. The arrears of returns were filed,  
21 their annual returns for 1936 to 1953 were  
22 filed all at once?

23 A. Yes.

24 Q. All at one time?

25 A. Yes.

26 Q. Subsequently the \$3200 marked  
27 quite a depreciation over the incorporation  
28 fee?

29 A. Yes.  
30





"The club has purported to use its powers,

"which is the grounds for cancellation

"of the charter."

"Also from the evidence it appears

"that there is a possibility that the

"club is being operated for illegal

"purposes and acting illegally."

"In the circumstances I would

"strongly recommend, especially on the

"basis that the club powers have been

"forfeited and that the club has

"acted illegally."

"Therefore, that the charter be

"cancelled."

Q. Now, it would appear that the

grounds for forfeiture have been in existence

in your file since 1953 and the cancellation

was in 1969?

A. That is right.

Q. The records of returns were filed,

there annual returns for 1986 to 1991 were

filed all at once?

A. Yes.

Q. All at one time?

A. Yes.

Q. Based only on the \$4000 member

and a cancellation was in 1969?

A. Yes.



A/3

1 Q. Was there any investigation carried  
2 out to find out if the club was sold for that  
3 amount of money or any other amount of money?

4 A. We wouldn't do that, we cancelled  
5 the charter.

6 Q. Will you turn now to your files,  
7 which I know are rather difficult for you to  
8 organize. You have the group of files which  
9 covers the Ringside Club, the Queen City  
10 and Lakeview, and the Club "U"?

11 A. Yes.

12 Q. I would like to start with No. 0-51328,  
13 and I think that <sup>one</sup> is headed "Queen City" -- I  
14 am not sure.

15 A. Yes, that is the file.

16 Q. That is No. 0-51328?

17 A. It is headed "Queen City Chess and  
18 Athletic Club".

19 THE COMMISSIONER: You said it was the  
20 letter "U"?

21 A. Yes, the letter "U".

22 MR. ESTEY: Q. What is next?

23 A. The Queen City Chess and Bridge  
24 Athletic  
25 Club and the Ringside Club and then there is  
26 in the file a reference to the Lakeview  
27 Athletic Club.

28 Q. Now, as a matter of convenience,  
29 can you tell me and these gentlemen where we  
30 will find reference to these clubs in the





22

amount of money or any other amount of money?

A. We wouldn't do that, we wouldn't

one another.

Q. Will you turn now to your friend,

which I know are rather difficult for you to

organize. You have the group of films which

and have seen them, and the film "U"

and have seen them, and the film "U"

A. Yes.

Q. I want to know if you have seen the film "U"

and if you have seen it, what is your opinion of it?

A. Yes.

A. Yes, that is the film.

Q. Now, what is your opinion of it?

A. It is headed "Green City Green and

and the film "U"

Q. Now, what is your opinion of it?

A. Yes.

A. Yes, the letter "U".

Q. Now, what is your opinion of it?

A. The Green City Green and the film "U"

and the film "U" and then there is

in the film a reference to the film "U"

and the film "U"

Q. Now, what is your opinion of it?

A. Now, what is your opinion of it?

Will you tell me and these gentlemen here we



1       brief?

2               MR. WILSON: You will find the Ringside  
3 Club and the Queen City Club under "J", also  
4 the Club "U" and the reference for the first  
5 two, the Ringside and the Queen City, is  
6 at 817, page 20 of Appendix J. Club "U" is  
7 J-912, and 20, and in the case of Lakeview  
8 it is also in Appendix K-6. I will have  
9 to straighten it out but the Club "U" is  
10 in K, page 2.

11              MR. ESTEY: Lakeview, Mr. Commissioner,  
12 is discussed in the main brief at 253,  
13 page 37.

14              MR. WILSON: That is the Queen City  
15 Chess and Bridge Club. I do not think they  
16 are discussed in the main brief. I have no  
17 note of it.

18              THE COMMISSIONER: All right.

19              MR. ESTEY: Q. On your file do you see  
20 a report from Inspector Walker to Chief Mackey  
21 dated the 18th of February, 1960?

22              A. Yes, I have that here.

23              Q. That is a very lengthy report  
24 and at the moment I am only interested in  
25 part of it.

26              A. It is a rather interesting  
27 report, Mr. Estey.

28              Q. How long is it?

29              A. About a page and a half or a little  
30





being

... and the Queen City Club under "7", also  
the Club "9" and the reference for the first  
two, the Hospital and the Queen City, is  
at 31, page 20 of Appendix 1. Club "9" is  
3-21, and 20, and in the case of the  
it is also in Appendix 1-2. I will have  
to state that it is not the Club "9" in  
in A, page 2.

is discussed in the main trial at 20.

... Queen City  
Queen and State Club. I do not think that  
are discussed in the main trial. I have no

note of it.

... on your side do you see

... Yes, I have that here.

... There is a very lengthy report

and at the moment I am only interested in

... It is a rather interesting

... About a page and a half or a little



1 over a page.

2 MR. WILSON: // What is it?

3 MR. ESTEY: It is a report from Inspector  
4 Walker to Chief Mackey dated the 18th of  
5 February, 1960.

6 MR. WILSON: And in regard to what club?

7 THE WITNESS: It is Club "U".

8 MR. ESTEY: I am interested in that  
9 portion of the report which carries on similar  
10 to the discussions we have read in in regard  
11 to the Columbia Bridge and Social Club and  
12 you will see on the bottom of the first page  
13 he discusses Enrico Cimini?

14 A. At the bottom of the first page,  
15 yes.

16 Q. That is a reference to Enrico  
17 Cimini?

18 A. Yes.

19 Q. Will you read that, please?

20 A. Yes:

21 "At the conclusion of the above  
22 "investigation, the owner of the  
23 "premises, who also operates the  
24 "Medallion Restaurant on the ground  
25 "floor, Mr. Enrico Cimini, 34 years,  
26 "52 Westmount Avenue, entered the  
27 "premises. He stated during the  
28 "conversation at this time that he  
29 "was in possession of a charter for  
30





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1 "the Club 'U'. He further stated that  
2 "he didn't know what to do with the  
3 "charter at this time, as he had  
4 "acquired it from his partner when  
5 "he had purchased his share of a  
6 "restaurant.

7 "He was asked if he had paid  
8 "any money for this charter and he  
9 "replied, 'It cost me plenty.' He  
10 "was informed that he should turn  
11 "this charter over to the Provincial  
12 "Secretary at the Parliament Buildings.  
13 "Mr. Cimini said that he would do  
14 "this right away.

15 "On Wednesday, December 30th,  
16 "1959, Mr. Enrico Cimini was inter-  
17 "viewed at his home at 52 Westmount  
18 "Avenue, and when questioned made  
19 "the following statement:

20 "My partner, Egisto Federicho,  
21 "bought the charter for the  
22 "Club "U" from Thomas O'Neill,  
23 "a lawyer. I think he paid  
24 "\$2,000 but I wasn't there and  
25 "I heard him tell some other  
26 "people. Last August I bought  
27 "my partner's share of the  
28 "restaurant, the Medallion  
29 "Restaurant. I paid \$6,000 for  
30





"The Club 101. He further stated that  
the date is now when to do with the  
the 1st purchased his share of a  
"revenue."  
"He was asked if he had paid  
"any money for this charter and no  
"replied, 'It cost me plenty.' - He  
"was informed that he should turn  
"this charter over to the Provincial  
"Mr. Glavin said that he would do  
"the following statement:  
"I bought the charter for the  
"Club '5' from Thomas O'Neill,  
"I heard him sell some other  
"my partner's share of the  
"revenue. I paid \$1,000 for



A/4

1 "his share and he left the charter  
2 "along as his share of the  
3 "restaurant. When the police  
4 "came to 1201 St. Clair, the  
5 "Kells Klub, I told the policeman  
6 "that I had a charter for the  
7 "Club "U". I told him that I  
8 "didn't want to use it but a  
9 "few days later near the end  
10 "of November a Mr. Frank Martino  
11 "of the St. Patrick Club came  
12 "and said he would like to have  
13 "the charter. He didn't pay me  
14 "anything for it as he said he  
15 "wanted his lawyer to see it and  
16 "that he would see me after the  
17 "lawyer had checked it. There  
18 "was no price agreed on."  
19 "On January the 8th, 1960, Mr.  
20 "Frank Martino was interviewed by our  
21 "officers of the Morality Bureau and  
22 "Mr. Martino wouldn't say at this time  
23 "whether he had acquired the charter  
24 "but that some of the members of the  
25 "club had asked him to take the  
26 "charter to a lawyer for re-organization.  
27 "As a result of this information  
28 "Mr. Ralph McCreath, solicitor,  
29 "66 King Street West, Empire 8-4843,  
30





14

"This name and he told the children

"I told him that I was a

"I told him that I was a

"I told him that I was a

"Katie said, I told the children

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

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"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a

"I told him that I was a



1 "was contacted and he stated that he had  
2 "in his possession the charter for the  
3 "Club 'U'. He said that in the  
4 "latter part of November he had been  
5 "retained by Mr. Frank Martino and  
6 "Mr. Vincent Demisci, who was an  
7 "officer of the club. They had  
8 "asked him to bring the minutes of  
9 "this club up to date as the members  
10 "weren't suitable. They said they  
11 "had lost their premises on St. Clair  
12 "Avenue West and that they were  
13 "looking for a new place to open their  
14 "club.

15 "In view of the foregoing facts  
16 "I strongly recommend that represen-  
17 "tations be made to the Department  
18 "of the Provincial Secretary for  
19 "cancellation of the charter held  
20 "by the Club 'U'."

21 Q. That report is dated the 18th  
22 of February, 1960?

23 A. Yes.

24 Q. I believe the charter was cancelled  
25 in June, 1961, is that correct?

26 A. June 16th, 1961.

27 Q. Now, I think on the same file,  
28 further on, you will find a report from  
29 Insepctor Walker to Mr. Lavine, dated the 2nd  
30





"was contacted and he stated that he had

"in his possession the charter for the

"Club 'U'. He said that in the

"last part of November he had been

"contacted by Mr. Vincent Bonaldi, who was an

"officer of the club. They had

"asked him to bring the minutes of

"this club up to date as the minutes

"weren't accurate. They said they

"had lost their minutes on St. Clair

"Street and were looking for a new place to open their

"club. I told them that I had the minutes

"and they took them. I also told them that I

"I strongly recommend that they

"actions be made to the Department

"of the Provincial Secretary for

"cancellation of the charter and

"by the Club 'U'."

"I told them that I had the minutes

"and they took them. I also told them that I

"I strongly recommend that they

"actions be made to the Department

"of the Provincial Secretary for

"cancellation of the charter and

"by the Club 'U'."

"I told them that I had the minutes

"and they took them. I also told them that I

"I strongly recommend that they

"actions be made to the Department

"of the Provincial Secretary for

"cancellation of the charter and



1 of March, 1961?

2 A. Yes, I have that.

3 Q. Do you notice about midway through  
4 the report, I think under the heading "Queen  
5 City", it mentions that, "In 1958 I remember  
6 signing a receipt so the charter could be  
7 legally sold." Do you see that -- it also  
8 mentions the price?

9 THE COMMISSIONER: Who is talking?

10 MR. ESTEY: Inspector Walker is inter-  
11 viewing Mr. Crompton.

12 Q. Would you read the interview the  
13 Inspector had with Mr. Crompton?

14 THE COMMISSIONER: Just a minute. That  
15 is an interview the Inspector had with what  
16 is his name?

17 MR. ESTEY: Charles A. Crompton,  
18 St. Germaine Avenue.

19 THE COMMISSIONER: Yes.

20 THE WITNESS: I took this from the office  
21 record. It says:

22 "I am Charles Compton, formerly  
23 "of 37 Scarborough Boulevard. I was  
24 "one of the members of the Queen City  
25 "Chess and Bridge Club. Five of us  
26 "organized it, myself, Mr. R.E. Morton,  
27 "and Mr. Freedman, and two others, I  
28 "don't remember their names.

29 "At that time charter clubs  
30





the report, I think under the heading "Green  
 City, it is stated that, in 1912, a  
 signing a receipt for the charter could be  
 legally sold." Do you see that -- is also  
 mentioned the price?

MR. BARRY: Inspector Walker is inter-  
 viewing Mr. Thompson.  
 Q. Would you read the interview the  
 Inspector has with Mr. Thompson?

THE COMMISSIONER: Just a minute. This  
 is an interview the Inspector had with what

MR. BARRY: Charles A. Thompson,

THE WITNESS: I took this from the office  
 record. It says:

"I am Charles Thompson, formerly

"of 27 South Broadway, New York. I was

"one of the members of the Green City

"Chiefs and White Birds. Five or six

"and Mr. Thompson, and two others, I

"At this time Charles Thompson



1 "were easily obtained, so we applied  
2 "through a solicitor and I was one.  
3 "The club remained fairly active  
4 "until the beginning of the war,  
5 "at which time it ceased to function  
6 "because of lack of membership.  
7 "At best the club had approximately  
8 "40 or 50 members. We held  
9 "numerous chess tournaments and,  
10 "in fact, had a Dominion Champion-  
11 "ship game one year. We held  
12 "several meetings regarding these  
13 "tournaments, but I don't recall  
14 "going to any annual meetings  
15 "since just before the war.

16 "Several years ago, I believe  
17 "in 1958, Mr. Freedman contacted me,  
18 "as did Mr. Keyfetz, solicitor,  
19 "asking if I would be willing to  
20 "sell the club. I agreed, and  
21 "after Mr. Keyfetz found a buyer,  
22 "I and the others signed the papers  
23 "given us and the club was sold  
24 "for \$250. Each of us received  
25 "\$50. I think the ~~man~~ man  
26 "who bought the club was Mr.  
27 "Bluestein. I never met the man  
28 "as all of this was done by Mr.  
29 Keyfetz, the solicitor, and Mr. Freedman.  
30







B/1/FAL

1 MR. ESTEY: Q. That is the end of  
2 the memorandum.

3 A. Not of the memorandum; that is  
4 Mr. Crompton's statement.

5 Q. That is fine. Would you turn on  
6 the same file to a memorandum dated the 8th  
7 April, 1958. My records show it to be, Mr.  
8 Cudney, still on O-18568, a small piece of  
9 paper dated 8th of April, 1958.

10 A. O-18568?

11 Q. Yes.

12 A. That would be another file.

13 Q. I am sorry. I have changed files.

14 A. That is dated May --

15 THE COMMISSIONER: April 8.

16 A. There is no letter of that date  
17 on O-18568. It may be on this file (indicating).

18 MR. ESTEY: Q. It deals with Queen  
19 City Chess and Bridge Club. It is in the same  
20 file as the annual returns for the Queen City  
21 Chess and Bridge Club.

22 THE COMMISSIONER: He has got it now.  
23 Maybe if you look over his shoulder you would  
24 see it. You know what you want.

25 A. March 8?

26 Q. No, April 8.

27 MR. ESTEY: Q. 1958. Here we are  
28 (indicating).

29 THE COMMISSIONER: What is it?  
30





100-100000

MR. TERRY: Q. That is the end of

A. Not of the memorandum; that is

Mr. Thompson's statement.

Q. That is true. Would you turn on

the same file to a memorandum dated the 10th

April, 1938. My records show it to be, in

fact, dated the 10th of April, 1938.

paper dated 10th of April, 1938.

Q. Yes.

A. That would be another file.

A. There is no letter of that date

on 4-10-38. It may be on this file (indicating).

City Chess and Bridge Club. It is in the same

file as the annual returns for the Green City

Chess and Bridge Club.

THE COMMISSIONER: He has got it now.

Maybe if you look over his shoulder you would

see it. You know what you want.

A. March 3?

Q. No, April 3.

MR. TERRY: Q. 1938. Here we are

(indicating).

THE COMMISSIONER: What is it?



1 MR. ESTEY: It is a document, No. C-42936.  
2 It is a memorandum dated the 3rd of April, 1958,  
3 signed in typewriting "Queen City Chess and  
4 Bridge Club", and bears the date of receipt  
5 of the Provincial Secretary, 8th April, 1958.  
6

7 Q. Is that right?

8 A. Yes, April 8, 1958, received.

9 THE COMMISSIONER: Q. What is it, a  
10 memorandum signed by -- ? Just read it, now.

11 A. It is a slip of paper. It says:

12 "This charter has been sold.

13 "For further information contact

14 "Mr. Carl K. Keyfetz, Q.C., 347

15 "Bay Street."

16 Q. Just a moment.

17 A. Then, my lord, there is typed on  
18 "Queen City Chess and Bridge Club". It isn't  
19 signed.

20 MR. ESTEY: Q. That document was received  
21 in the ordinary course of mail and put on the  
22 Provincial Secretary's file. Can you tell  
23 us whether or not any action was taken?

24 THE COMMISSIONER: Q. When was it  
25 received?

26 A. April 8, 1958, my lord.

27 MR. ESTEY: Q. What action, if any, was  
28 taken by the Department on receipt of that  
29 memorandum?

30 A. Apparently no action was. It must





MR. WATKINS: It is a document, No. G-42222.

It is a document dated the 2nd of April, 1938.

It is a document dated the 2nd of April, 1938.

It is a document dated the 2nd of April, 1938.

of the Provincial Secretary, 2nd April, 1938.

It is a document.

A. Yes, April 2, 1938, received.

THE COMMISSIONER: G. What is it, a

document signed by --? Just read it, now.

A. It is a slip of paper. It says:

"This character has been sold."

Now, I am not a lawyer, but I am

not a lawyer, but I am not a lawyer.

"Key Street."

G. Just a moment.

A. Then, my Lord, there is typed on

the slip of paper, "Key Street."

signed.

MR. WATKINS: G. That document was received

in the ordinary course of mail and put on the

Provincial Secretary's file. Can you tell

us whether or not any action was taken?

THE COMMISSIONER: G. When was it

received?

A. It was received on April 2, 1938.

MR. WATKINS: G. What action, if any, was

taken by the Department on receipt of this

document?

A.



1 have been just received and put on the file.

2 Q. When was the charter cancelled?

3 A. It was cancelled June 16, 1961.

4 Q. Now, these are the -- This is  
5 one of the group of charters referred to during  
6 the examinations here of Mr. Bluestein and  
7 somewhere in these five files there is a  
8 report, I think you will agree without taking  
9 time to find it, there is a report to the  
10 effect an offer was made during the prosecution  
11 that these three charters be surrendered and  
12 be returned for a conviction against the  
13 Lakeview Club and a withdrawal of the charges  
14 against the individual defendants.

15 A. There was an offer.

16 THE COMMISSIONER: Q. What are the  
17 three clubs?

18 A. Ringside Athletic Club, the Queen  
19 City Chess and Bridge Club and the Lakeview.

20 Q. The Lakeview would be cancelled,  
21 anyhow, if there was a conviction.

22 MR. ESTEY: Q. What was done by the  
23 Department in connection with investigating  
24 that offer, the proposal, Mr. Gudney? Was  
25 there action taken to cancel the three charters?

26 THE COMMISSIONER: What was the date  
27 of that proposal?

28 MR. ESTEY: Q. Perhaps we can find the  
29 report.  
30



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1  
2 A. There is a memorandum -- By  
3 the way, --

4 Q. It is shown on the 27th of January,  
5 1961, Inspector Walker's report forwarded to  
6 you, I think on 1 February, 1961. That may  
7 be hard to find. You have a control file, I  
8 believe?

9 A. Yes.

10 Q. Which covers these three clubs?

11 A. I have it here. It is from  
12 Inspector Walker's report you want to read the  
13 proposition included?

14 " While awaiting the hearing  
15 "of the charges against the afore-  
16 "mentioned Club . . . " -

17 I take it that was the Lakeview -

18 ". . . and persons, several attempts  
19 "were made to have the charges against  
20 "the men withdrawn on the understand-  
21 "ing that the Club would plead guilty  
22 "to the charges laid. One of the  
23 "propositions made included the  
24 "surrendering of the Charters of  
25 "the Ringside Athletic Club and the  
26 "Queen City Chess and Bridge Club.  
27 "This proposition was not, of course,  
28 "entertained and the charges  
29 "originally laid were proceeded with  
30 "by the Court."





A. There is a memorandum --

the way, --

Q. I think on 1 February, 1961. That was  
be hard to find. You have a control film.

A. Yes.

Q. Which covers these three films?

A. I have no idea. He is from

Inspector Walker's report you want to read the  
proposition included?

"of the charges against the above-

"mentioned Club . . ."

I take it that was the Lakewood -

". . . and persons, several persons

"were made to have the charges against

"the men withdrawn on the understanding-

"ing that the Club would place \$100,000

"to the charges laid. One of the

"propositions made included the

"arrangement of the transfer of

"the Rhyolite Athletic Club and the

"Green City Chess and Bridge Club.

"This proposition was not, of course,

"entertained and the charges

"originally laid were proceeded with

"by the Court."



1 This was Inspector Walker's report on  
2 January 27, 1961.

3 THE COMMISSIONER: Q. Received by your  
4 Department on February 1, 1961?

5 A. I beg your pardon, my lord?

6 Q. Received by your Department on  
7 February 1, 1961, as I understood you to say.

8 A. The date. It is dated 2 so --  
9 Yes, likely February 2 or 1.

10 MR. ESTEY: Q. Then, I think there is a  
11 memorandum to the Minister by Mr. Lavine on  
12 the 10th of February, 1961, discussing these  
13 filex.

14 A. February 10. There is a  
15 memorandum from Mr. Lavine to Mr. Yarenko,  
16 re Lakeview, Queen City and Ringside:

17 " The Metropolitan Toronto Police  
18 "have advised that the Vice-President,  
19 "the secretary-treasurer and a member  
20 "of the Lakeview Athletic Club were  
21 "each convicted of keeping a common  
22 "betting house on the premises of  
23 "the club, and were each imprisoned  
24 "two months in jail, plus \$15,000.

25 "or an additional four months in jail.

26 " They therefore request that  
27 "the charter of this club be cancelled.

28 " In addition, they wish the  
29 "Department to cancel the charter of  
30





This was Inspector Walker's report on

February 27, 1901.

THE COMMISSIONER: Q. Received by you

February 27, 1901.

A. I beg your pardon, my lord.

Q. Received by you February 27, 1901.

February 1, 1901, as I understood you to say.

A. The date. It is dated 2nd --

Yes, likely February 2 or 1.

MR. WATKINS: Q. Then, I think there is a

memorandum to the Minister by Mr. Lavington

dated February 1, 1901, discussing the

climb.

A. February 10. There is a

memorandum from Mr. Lavington to Mr. Watkins

re Lavington, Green City and Kingside.

Q. The memorandum from Mr. Lavington

dated February 10, 1901, is as follows:

"The secretary-treasurer and a member

"of the Lavington Athletic Club were

"each convicted of keeping a common

"betting house on the premises of

"the club, and were each imprisoned

"two months in jail, plus \$1,000.

"On an additional term months in jail.

"They therefore request that

"the charter of this club be cancelled.

"In addition, they wish the

"charter of the club to be cancelled."



1 "Queen City Chess and Bridge Club  
2 "and the Ringside Athletic Club.  
3 "The only reason that the police  
4 "have for requesting the cancellation  
5 "of the latter two clubs is that they  
6 "are controlled by the same people  
7 "that control Lakeview Athletic  
8 "Club, and the only evidence offered  
9 "in support of this by the police is  
10 "that when charges were laid against  
11 "the officers of Lakeview Athletic  
12 "Club they asked the police to have  
13 "the charges withdrawn on the under-  
14 "standing that the club would plead  
15 "guilty and that they would also  
16 "surrender the charters of the  
17 "Ringside and Queen City Clubs. From  
18 "the file of each club, the only  
19 "connection appears to be that the  
20 "president of the Ringside Club was  
21 "also the vice-president of the  
22 "Lakeview Club."

23  
24 Q. I take it you were away at that  
25 time, Mr. Gudney?

26 A. I was away at that time, yes.

27 Q. And that memorandum, I believe,  
28 represents the only discussion in your  
29 departmental file of this rather unusual  
30 proposition? Am I correct, to your knowledge?





"and the Ringling Brothers Circus."

"have for requesting the cancellation

"Circus, and the only evidence offered

"in support of this by the police is

"that when charges were laid against

"the charges withdrawn on the ground

"stating that the circus would place

"guilty and that they would also

"surrender the contents of the

"the title of each circus, the only

"connection appears to be that the

"also the vice-president of the

"I came to you were right at that

"I was away at that time, yes.

"And since my return, I believe,

departmental file of this matter in my

proposition. Am I correct, or your knowledge?



1 A. Yes. There is a further --  
2 Pardon me. There is a further memorandum from  
3 Mr. Lavine to Mr. Yarenko on March 16, referring  
4 to Ringside and Queen City.

5 Q. Yes. That does not refer to  
6 the offer to surrender all three charters, does  
7 it?

8 A. No, it doesn't. That seems to  
9 be the only reference on file.

10 Q. That memorandum concludes, does  
11 it not, "There seems to be no reason why these  
12 charters should be cancelled"?

13 A. This is in the memorandum of  
14 March 16?

15 Q. Yes. Would you mind reading that  
16 last sentence?

17 THE COMMISSIONER: I thought you were  
18 taking of a memorandum from Mr. Lavine to Mr.  
19 (sic)  
20 Yarenko of February 16, 1961.

21 MR. ESTEY: Yes, and there is a further  
22 memorandum between the same two parties dated  
23 March 16, 1961.

24 A. Yes.

25 " Re: Ringside Athletic Club  
26 Queen City Chess and Bridge Club

27 " On February 1st, Chief Mackey  
28 "wrote to this department requesting  
29 "that the charters of the above three  
30 "clubs be cancelled.

" The charter of Lakeview Athletic





A. Yes, there is a difference.

Q. Now, is it a difference in the memorandum from

Mr. Justice to Mr. Yarnall on March 15, referring

to the same subject?

Q. Yes, that does not refer to

the same subject as the other memorandum.

A. Yes.

Q. No, it doesn't. That seems to

be the same subject as the other.

Q. That memorandum contains, then,

is not, "there seems to be no reason why there

should be any difference."

A. This is in the memorandum of

March 15.

Q. Yes. Would you mind reading that

last sentence?

THE COMMISSIONER: I thought you were

reading of a memorandum from Mr. Justice to Mr.

(now)

Yarnall of March 15, 1901.

Q. Now, and there is a further

reference in between the same two parties dated

March 15, 1901.

A. Yes.

Q. Now, this Athletic Club

Green City Club and Bridge Club

is the same as the other?

Q. Is that the character of the above three

clubs be cancelled.

Q. The character of the Athletic

Club be cancelled.



1 "Club has now been cancelled and

2 "Mr. Mackey has been informed.

3 " The reason why the police

4 "wished the charters of the other

5 "two clubs to be cancelled is set

6 "out in the third paragraph of my

7 "letter of February 10th.

8 " Subsequently I wrote to

9 "Inspector Walker requesting further

10 "particulars with respect to the

11 "proposition referred to by the

12 "police.

13 " I am now in receipt of a

14 "lengthy letter from Inspector Walker,

15 "but it does not however add anything

16 "to what was contained previously

17 "in his memorandum of February 27

18 "to Chief Mackey.

19 " The only reason advanced for

20 "cancelling the charters of the other

21 "two clubs is that the president of

22 "Ringside Athletic Club was the vice

23 "president of Lakeview Athletic Club,

24 "and the vice president of Ringside

25 "Athletic Club was the secretary

26 "treasurer of Lakeview Athletic Club.

27 " From this there would not

28 "appear to be any reason why the

29 "two charters should be cancelled."





"two chapters should be cancelled."

"appear to be any reason why the

"From this there would not

"president of Lakewood Athletic Club,

"Athletic Club was the secretary

"and the vice president of Lakewood

"president of Lakewood Athletic Club,

"two clubs is that the president of

"cancelling the chapters of the other

"The only reason advanced for

"the club.

"on the morning of February 27

"to what was contained previously

"but it does not have anything

"Lakewood Athletic Club

"I am now in receipt of a

"police.

"The following is a list of the

"Athletic Club is known as the

"Lakewood Athletic Club.

"The only reason advanced for

"cancelling the chapters of the other

"two clubs is that the president of

"Lakewood Athletic Club was the secretary

"and the vice president of Lakewood

"president of Lakewood Athletic Club,

"Athletic Club was the secretary

"From this there would not

"appear to be any reason why the

"two chapters should be cancelled."



1 Q. Let us deal with that for a  
2 moment.

3 THE COMMISSIONER: Q. Give me the  
4 personnel? You say the president of Lakeview --

5 A. Pardon me. The president of  
6 Ringside was the vice-president of Lakeview.

7 Q. The president of Ringside was who?

8 MR. WILSON: Zeldon, I think.

9 MR. ESTEY: Zeldon was the president of  
10 Ringside, Mr. Commissioner.

11 THE COMMISSIONER: What are his initials?

12 MR. ESTEY: Joseph Zeldon.

13 THE COMMISSIONER: Who was vice-president  
14 of Ringside?

15 MR. ESTEY: No, he was president of  
16 Ringside and vice-president of Lakeview.

17 THE COMMISSIONER: Lakeview.

18 And the vice-president of Ringside, whose  
19 name was what?

20 MR. ESTEY: Binder. Binder's first name  
21 is Sam. Sam Binder was vice-president of  
22 Ringside and the secretary-treasurer of Lakeview.

23 Q. I think, Mr. Cudney, while we  
24 are on the subject of these interlocking  
25 officers we might look at Inspector Walker's  
26 report again, dated the 2nd of March, 1961.

27 A. Yes.

28 Q. This information is all set out  
29 under the heading "Re Ringside Club". Do you  
30





Q. Not as deep with one for a

moment,

THE COMMISSIONER: C. Give me the

A. Pardon me. The president of

Hingham was the vice-president of Hingham.

Q. The president of Hingham was who?

A. William H. H. H.

MR. HALL: Zelden was the president of

Hingham, Mr. H. H. H.

THE COMMISSIONER: What are the initials

of Mr. H. H. H.?

THE COMMISSIONER: The initials of Mr. H. H. H.

are H. H. H.

MR. HALL: H. H. H. H. H. H. H.

Hingham was vice-president of Hingham.

THE COMMISSIONER: H. H. H.

And the vice-president of Hingham, those

are the initials.

MR. HALL: H. H. H. H. H. H. H.

is H. H. H. H. H. H. H. H. H. H.

What are the initials of Mr. H. H. H.?

A. H. H. H. H. H. H. H.

are on the subject of these interesting

officers we might look at Inspector H. H. H.

pages being with me at H. H. H. H.

A. Yes.

THE COMMISSIONER: H. H. H. H. H. H. H.

under the heading "The Hingham Club". Do you



1 see that? 2nd of March, 1961. Walker to  
2 Lavine, re Ringside Club. It sets out the  
3 interlocking officers of those two clubs and,  
4 then, it goes on to deal with the further inter-  
5 locking of the Somerset and the Atlas Clubs.  
6 Is that right?

7 A. That is a lengthy report here,  
8 Mr. Estey. I just can't find it.

9 Q. If you cannot find it quickly  
10 we will go on.

11 THE COMMISSIONER: No, I am interested  
12 in that.

13 Unless you are coming back to it?

14 MR. ESTEY: The Inspector deals with it,  
15 my lord, at page 2 of his report.

16 THE COMMISSIONER: Inspector Walker?

17 MR. ESTEY: Yes, in the report dated the  
18 2nd March, 1961, on page 2.

19 Q. Mr. Gudney, if you would read  
20 those paragraphs dealing with the question  
21 of interlocking officers.

22 A. He says, my lord:

23 " Further investigations were  
24 "conducted which revealed that the  
25 "officers of the Ringside Athletic  
26 "Club, when located at 8 Brunswick  
27 "Avenue, included Joseph Zeldon,  
28 "137 Latimer Avenue, who was shown  
29 "as the President of this corporation  
30





Q. And of March, 1931. Witness to

having, no Ringdale Club. It sets out the

interlocking officers of those two clubs and

then, it goes on to deal with the further inter-

locking of the Somerset and the Afghan Clubs.

Is that right?

A. That is a lengthy report now.

Mr. Huxley. I just can't find it.

Q. It is a very long report.

It is a long report.

THE CHAIRMAN: No, I am interested

in this, in this.

Unless you are coming back to it?

MR. HUXLEY: The Inspector deals with it.

My lord, at page 2 of his report.

Q. Now, my lord, is that a report?

MR. HUXLEY: Yes, it is a report.

Q. Now, my lord, is that a report?

A. Mr. Gurney, it would read

that the interlocking of the two clubs

of interlocking officers.

A. He says, my lord:

Q. Now, my lord, is that a report?

Q. Now, my lord, is that a report?

"Officers of the Ringdale Athletic

"Club, which located at 3 Brunswick

Avenue, included Joseph Nelson,

Q. Now, my lord, is that a report?

Q. Now, my lord, is that a report?



1 "in 1959 and who is now listed as  
2 "Vice-President of the Lakeview  
3 "Athletic Club. Samuel Binder,  
4 "87 Marchmount Road, now living at  
5 "16 Peverill Hill Road, Vice-  
6 "President of the Ringside Athletic  
7 "Club from 1953 to 1956, is now  
8 "listed as the Secretary-Treasurer  
9 "and Steward of the Lakeview Athletic  
10 "Club. A constant frequenter of  
11 "both the Ringside Athletic Club and  
12 "Lakeview Athletic Club was Max  
13 "Bluestein."

14  
15 That seems to deal with, my lord, the  
16 end of the interlocking officers.

17 THE COMMISSIONER: Just a moment. I  
18 want to get something else.

19 A. There is another one here, my lord:

20 " Other officers of the Ringside  
21 "Athletic Club were Saul Borenstein,  
22 "8 Leeds Avenue, President from 1953  
23 "to 1959, presently employed as Steward  
24 "of the Somerset Club, 4126 Bathurst  
25 "Street, which club is also under  
26 "investigation regarding illegal  
27 "gambling activities; Benjamin  
28 "Nefsky, 237 Beverley Street, who was  
29 "on the executive from 1956 to 1959 and  
30 "is now listed as the Secretary-





"in 1959 and who is now listed as

"President of the Alaska Athletic

"BY HATCHMAN, now living at

"President of the Alaska Athletic

"Club from 1953 to 1955, he now

"listed as the Secretary-Treasurer

"and Secretary of the Alaska Athletic

"Club. A constant frequenter of

"Alaska Athletic Club was the

"Alaska Athletic Club."

"That seems to deal with, my lord, the

end of the interlocking of these.

THE COMMISSIONER: Just a moment, I

want to get something else.

A. There is another one here, my lord.

"Alaska Athletic Club, 4325 West

"to 1959, presently employed as Secretary

"of the Somerset Club, 4325 West

"Alaska Athletic Club, 4325 West

"Alaska Athletic Club, 4325 West

"on the executive from 1955 to 1959 and

"is now listed as the Secretary-



1 "Treasurer of the Atlas Club,  
2 "287 Spadina Avenue, which club  
3 "is also under investigation  
4 "regarding illegal gambling  
5 "activities."

6 And he mentions the Queen City. He  
7 mentions the direction of Bernard Freedman.

8 MR. ESTEY: Q. He says Mr. Freedman  
9 said the Queen City was dormant from 1952 to  
10 1957, does he not? It was the reference on  
11 the 12th of May, 1957.

12 A. Yes.

13 " On May 12th, 1952, a letter  
14 "was sent to the Deputy Provincial  
15 "Secretary by Mr. Freedman, advising  
16 "that the club had slowly died out,  
17 "had not met in the last five years, . . ."

18 That was in 1952 he advised that the  
19 club had not met for five years.

20 THE COMMISSIONER: To go back, Mr. Estey,  
21 to something that was said earlier: Mr.  
22 Keyfetz acted for the buyer of the Queen City  
23 Chess and Bridge Club, who paid \$250 for the  
24 charter, and was a Mr. Bluestein. What was  
25 Mr. Bluestein's first name?

26 MR. ESTEY: That did not come out, my  
27 lord. I asked Mr. Bluestein about it and all  
28 he said was that if anybody bought it it  
29 wasn't Irving.  
30





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1 THE COMMISSIONER: But Irving became  
2 the president.

3 MR. ESTEY: Yes. Immediately after it  
4 is reported the Queen City returns show Irving  
5 Bluestein becomes the president of the club,  
6 for the first time on the annual return for  
7 the period ending 31st March, 1959. Mr.  
8 Max Bluestein in the witness box here denied  
9 knowing a Bernard Freedman and I read to him  
10 this quotation from that police report and  
11 he said he did not know anything about it.  
12

13 Q. Now, Mr. Cudney, I want to ask  
14 you one or two more questions about the  
15 memorandum of Mr. Lavine dated the 16th March,  
16 1961, which you had before you a moment ago.  
17 That report concludes by saying he sees no  
18 reason why these charters should be cancelled.

19 A. Yes.

20 Q. And the report omits any mention  
21 of the proposal that the charters be surrendered  
22 in return for a plea to the charge?

23 A. That is on March -- on March 16,  
24 1961.

25 Q. The one of the 10th of March,  
26 he did. I am dealing with the March 16, where  
27 he says he sees no reason why they should.

28 A. Yes; on February 10, 1961.

29 THE COMMISSIONER: We have that one.

30 A. There is a note by Mr. Yarenko

DATE: 11/11/11

Now, Mr. Chairman, I want to say

• 692 • 34

•  $\int_{-\infty}^{\infty} f(x) \delta(x-a) dx = f(a)$





1 to cancel Lakeview.

2 Q. In the March 16, 1961, he sees  
3 no reason why it should be cancelled.

4 A. Yes.

5 MR. ESTEY: Q. There is no reference  
6 to the fact that these interlocking officers  
7 had been convicted?

8 A. No.

9 Q. And there is no reference to the  
10 report of Mr. Freedman saying the club was  
11 dormant?

12 A. No.

13 Q. And there is no reference to the  
14 statement the charter was purchased for \$250  
15 and each of the five officers at the time  
16 got \$50 apiece, there is no mention of that?

17 A. No.

18  
19  
20 (Page 13010 follows)



so cannot believe,

Q. In the March 16, 1957, he was

no reason why it should be cancelled.

A. Yes.

Q. There is no reference

in the case to any other person.

and been convicted?

A. No.

Q. And there is no reference to the

name of the person who was

convicted?

A. No.

Q. And there is no reference to the

name of the person who was

and each of the five officers at the time

and \$50 apiece, there is no mention of that?

A. No.

(Page 13010 Kollman)



C/FTP/1

1 Q. And no further action was taken at  
2 that time to cancel those three charters?

3 A. Not at that time, no. An  
4 action was taken ---

5 Q. When you returned?

6 A. That is right.

7 Q. Now, Mr. Gudney, may we move along  
8 to touch on two or three clubs very briefly.  
9 I would like to turn next to Club 21. Mr..  
10 Commissioner, that is on page 12. You might  
11 open that file for Mr. Gudney to a letter  
12 of 24th November, 1955, and that is on your  
13 "C" file. I think it is towards the end of  
14 or at the end of your "C" file.

15 MR. WILSON: Is this referred to anywhere?

16 THE COMMISSIONER: Yes, Appendix K,  
17 page 12.

18 THE WITNESS: Yes, I have that.

19 MR. ESTEY: I think that is a letter from  
20 Mr. ---

21 THE COMMISSIONER: When was this incorporated,  
22 April 14th, 1947?

23 MR. ESTEY: Yes, my lord.

24 THE WITNESS: April 14th, 1947.

25 MR. ESTEY: Cancelled in April, 1962.

26 Q. Is that a letter from a person  
27 named Ryan to you, Mr. Gudney?

28 A. It is addressed, it is from L. Ryan  
29 addressed to Deputy Provincial Secretary dated  
30





EXHIBIT

A. Not as clear as you, Mr.

Q. When you returned?

Q. Now, Mr. Cady, did he move along

so far on two or three other very early.

I would like to turn next to this, Mr.

Commissioner, that is on page 10. You might

not find it, but it is on a page

of 24th November, 1955, and that is on your

"Q" file. I think it is towards the end of

or at the end of your "Q" file.

MR. WILSON: Is this referred to anywhere?

THE COMMISSIONER: Yes, Appendix K,

page 14.

THE WITNESS: Yes, I have that.

MR. BERRY: I think that is a letter from

THE COMMISSIONER: When was this incorporated?

THE WITNESS: 1957.

MR. BERRY: Yes, my Lord.

THE WITNESS: April 1957, 1957.

MR. BERRY: I think that is a letter from

Q. Is that a letter from a person

named John to you, Mr. Cady?

A. It is addressed, it is from J. W.

addressed to Deputy Provincial Secretary, and



1 November 24th, 1955, attention Mr. E. Spindle.

2 He was the company returns officer.

3 Q. Right?

4 A. Re Club 21. Would you like me to  
5 read it?

6 Q. Well, the effect of it is that it  
7 is a notice to you the club was disbanded in  
8 1950, is it not?

9 A. Yes, inasmuch as the club was  
10 disbanded in 1950, he suggests to contact  
11 Mr. L. Spears of Frantoni's Tavern who is  
12 the gentleman who is in possession of the  
13 charter.

14 Q. He has the charter?

15 THE COMMISSIONER: Who is Ryan?

16 MR. ESTEY: Q. Who is Mr. Ryan, does it  
17 appear?

18 A. Lawrence Ryan, my lord, appeared  
19 as a director in 1954.

20 Q. He was one of the incorporators,  
21 wasn't he, Lawrence Ryan, furrier, 91 Spadina?

22 A. Yes, Lawrence Ryan, furrier, City  
23 of Toronto, was an incorporator.

24 Q. And the letter concludes by saying  
25 that Speers has the charter?

26 A. Speers, yes.

27 Q. Gives his address at some tavern?

28 A. Frantoni's Tavern.

29 THE COMMISSIONER: What is Speers' first  
30



Q. Now, the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.

Q. And the company referred to in the report?

A. Yes, the company referred to in the report.





1 name?

2 A. Mr. L. Spears.

3 MR. ESTEY: Q. Would you read the para-  
4 graph?

5 A. He says:

6 "Inasmuch as the Club 21 disbanded

7 "in 1950, I would suggest you contact

8 "Mr. L. Spears, c/o Frantoni's Tavern,

9 "322 Adelaide West, as this gentleman

10 "is now in possession of the charter."

11 Q. No action taken according to  
12 the file to recover that charter from Mr.  
13 Spears?

14 A. No, there appears to be no action.

15 Q. Seven years later in 1962 it  
16 was cancelled for what grounds, Mr. Cudney?  
17 Forfeiture, I think, is one of them, is it?

18 A. Forfeiture is one, and also  
19 moving without consent of the Provincial  
20 Secretary under the 1960 amendment.

21 Q. Now, would you turn to the  
22 Glenbrook Golf and Country Club. I think  
23 their file is headed "Glenbrook Country  
24 Club"?

25 A. Yes, I have that, Mr. Estey.

26 Q. Appendix K, page 5. This is  
27 shown in Appendix K as being incorporated  
28 in 1927, head office in Windsor, Ontario,  
29 and a branch at Dundas Street, Toronto, and  
30



Q. Now, would you turn the page-

A. No page:

"Inasmuch as the Club is organized

"in 1900, I would suggest you consider

"302 Webster Street, as with reference

"to the now in possession of the property."

Q. No action taken according to

the time to recover lost charter from Mr.

A. No, there appears to be no action.

Q. Seven years later in 1907 it

was cancelled for what grounds, Mr. Gandy?

Porter, I think, is one of them, is it?

A. Porters in one, and also

moving without consent of the Provisional

Q. Now, would you turn to the

Chicago Golf and Country Club. I think

their title is named "Chicago Country

Club?"

A. Yes, I have that, Mr. Gandy.

Q. Appendix K, page 5. This is

shown in Appendix K as being incorporated

in 1901, head office in Wilmette, Chicago,

and a branch at Duane Street, Toronto, and



1 an address which was formerly that of the  
2 Athenian Bridge and Social Club.

3 MR. WILSON: You will find it in Appendix J  
4 at 8, 14 and 20.

5 THE COMMISSIONER: The incorporated name  
6 was Glenbrook Golf and Country Club?

7 A. My lord, it is Glenbrook Country  
8 Club is the original name. Yes, Glenbrook  
9 Country Club.

10 MR. ESTEY: Q. That is the correct name,  
11 I think, is it not?

12 A. Yes, the name seems to have never  
13 been changed.

14 Q. I didn't know the explanation for  
15 Appendix K having the extra word in it. It  
16 does not appear in your file. Now, Mr.  
17 Cudney, you will see in this file that as  
18 far back as 1949 some question arose as to  
19 the bona fides of the persons shown as the  
20 officers. You see that? We won't take  
21 the time to go into it. Do you see there is  
22 a letter on the file from one Alec Barrol,  
23 November 22nd, 1949, pointing out that the  
24 man by the name of Samuel Karavitz who has  
25 been shown as director for some time, could  
26 not have been a director?

27 A. November 22nd ---

28 Q. 1949, on your "C" file.

29 THE COMMISSIONER: What is that man's  
30





an address which was formerly that of the

Address which was formerly that of the

MR. WILSON: You will find it in Appendix 3

at U, 1A and 10.

was Greenock Golf and Country Club?

was Greenock Golf and Country Club?

A. My lord, it is the Greenock Golf and Country Club.

Club as the original name. Yes, Greenock.

Greenock.

MR. WILSON: That is the correct name.

I think, is it not?

A. Yes, the name seems to have never

been changed.

Q. I didn't know the explanation for

Appendix 3 having the name held in it. Is

that the name in the Appendix?

Greenock, you will see in this file that an

far back as 1949 some question arose as to

the home files of the person shown as the

officers. You see that? We would have

the time to go into it. So you see there is

a letter on the file from one Alice Brown,

November 2nd, 1949, pointing out that the

and by the name of Edward Brown who has

been shown as director for some time, could

not have been a director?

Q. I am not sure.

Q. 1949, on your "G" file.

THE COMMISSIONER: There is some matter



1 name?

2 MR. ESTEY: Sam Karavitz.

3 THE COMMISSIONER: No, no, Barrol, what  
4 is his first name?

5 MR. ESTEY: Alec, could be Barron, but  
6 it looks like Barrol.

7 THE WITNESS: I think it is.

8 MR. ESTEY: Q. And the letter is to Mr.  
9 G.K. Greaves.

10 A. I don't seem to see that letter.  
11 Oh, maybe this is it. Yes, here it is.

12 THE COMMISSIONER: What is it you have  
13 in front of you now?

14 A. A letter from Mr. Alex Barron,  
15 my lord.

16 MR. ESTEY: Q. Barron?

17 A. Barron, dated November 19th, 1949,  
18 and addressed to Mr. G.K. Greaves who was the  
19 company returns officer at that time.

20 Q. Have I stated the essence of the  
21 letter correctly?

22 THE COMMISSIONER: What is the essence  
23 of the letter?

24 A. Well, he doesn't seem by this  
25 letter which is in handwriting, does not seem  
26 to have any claim to have any connection  
27 with this -- can I just read ---

28 Q. Read it into the record.

29 A. "Dear Sir:  
30



Q. Now, did you see the letter?

A. Yes, I saw it.

Q. Is that the letter?

A. Yes, that is the letter.

Q. Did you see it when it was first shown to you?

A. Yes, I saw it.

Q. And the letter is the one that was shown to you?

A. Yes.

Q. I don't need to see that letter.

A. Yes, that is the letter.

Q. THE COMMISSIONER: What is it you have?

A. I don't know.

Q. A letter from Mr. Allen Barton?

A. Yes.

Q. THE COMMISSIONER: What is it?

A. Barton, dated November 13th, 1914.

Q. And addressed to Mr. G. K. Greaves who was the

company then in office at that time.

A. Yes, I stated the contents of the

letter.

Q. THE COMMISSIONER: What is the substance

of the letter?

A. Well, he doesn't seem by his

letter which is in handwriting, does not seem

to have any claim to have any connection

with this -- can I just read --

A. Yes, I can read it.

Q. THE COMMISSIONER: What is it?





1 "Writing on behalf of my fellow  
2 "worker Mr. Sam Karavitz in reply to  
3 "enclosed. Sam claims that  
4 "1. He has not been in Toronto for  
5 "17 years.  
6 "2. He does not belong to any country  
7 "club and never did.  
8 "3. He thinks this a very obvious  
9 "error in your department or else . . . " --  
10 something --  
11 " . . . a bad joke on someone's part  
12 "in using his name.  
13 "4. Or else a very bad case of  
14 "mistaken identity.  
15 "Sam works here as an ordinary  
16 "stock man and has been known to the  
17 "writer for over 12 years. He answers  
18 "to the nickname 'Johnny' and no more  
19 "unlikely looking . . . " --

20 I can't make out the next word --

21 " . . . ever belonged to a country  
22 "club.

23 "The delay in writing was due  
24 "to the writer's illness.

25 "(Signed) Yours truly, Alex Barron"

26 He is referring to Sam Karavitz.

27 MR. ESTEY: Q. Then he appears in the  
28 annual returns, does he not?

29 A. Yes, he appeared in the 1948 return.  
30



"Writing on behalf of the...

"Walter H. Sam Krasnik in reply to...

"1. He has not been in Toronto for...

"2. He does not belong to any group...

"3. He thinks this a very obvious...

"error in your department of one . . ."

"... a bad joke on someone's part...

"in using his name.

"4. Or else a very bad case of...

"misplaced identity.

"Sam would have an ordinary...

"stock man and has been known to the...

"writer for over 25 years. He knows...

"to the right man (Hornby) and no one...

"unusually looking . . ."

"I can't have one the next word --"

"The copy in which, was the...

"... the writer's letter.

"(Signed) ..."

"... as referring to Sam Krasnik.

"Mr. Krasnik: ... Then he appears in the...

"... does he not?

"A. Yes, he appeared in the ..."



1 Q. As a director?

2 A. As a director.

3 Q. And he carries on and I see he is  
4 still in the 1950 return?

5 A. Yes, he appears in the 1950 return.

6 Q. Now, if you would turn to your  
7 old file and look at the report which is a  
8 letter from Chief Mackey to yourself and it  
9 includes a report of Inspector Walker. The  
10 letter to you is dated 26th April, 1960?

11 A. Yes, I have that.

12 Q. Do you see in the centre of that  
13 report a discussion with a Mr. Shabo?

14 MR. WILSON: Shabo.

15 MR. ESTEY: Q. Shabo, and he discusses  
16 the value or the price of these charters.

17 Would you read that back to the Commissioner?

18 A. Just here, Shabo?

19 Q. Yes, would you read the paragraph  
20 on page 2?

21 A. Yes.

22 "As the result of complaints  
23 "received regarding illegal gambling  
24 "activities being carried on and  
25 "subsequent observations taken on  
26 "the premises located at 3263  
27 "Dundas Street West, an order for  
28 "search was executed by officers  
29 "of this bureau on Saturday,





Q. Now, did you see him?

A. Yes, I saw him.

Q. And he came on and I see he is

well in the 1930s?

A. Yes, he appears in the 1930s.

Q. Now, did you want to go

and find out about the report which is a

letter from Chief Magistrate to yourself and is

dated April 1930?

A. Yes, I have that.

Q. Do you see in the course of that

any discussion with Mr. Sherry?

A. Yes, I have that.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.

Q. Now, did you see him?

A. Yes, I saw him.



1 "May 2nd, 1959, at 1.45 a.m. As the  
2 "result of the ensuing investigation,  
3 "Musa Shaba, John Ferrier and  
4 "Lawrence Duncan were charged with  
5 "keeping a common gaming house on  
6 "these premises, with thirteen men  
7 "being charged as found-in. At  
8 "the time of this investigation a  
9 "number of membership application  
10 "forms were found on the premises  
11 "for the Glenbrook Country Club,  
12 "along with a number of membership  
13 "cards for the Greek-Canadian Club.  
14 "When questioned regarding the  
15 "aforementioned clubs, Shaba  
16 "stated that he had been offered  
17 "both charters for the sum of \$2,000,  
18 "each from a Toronto solicitor, but  
19 "after some deliberation he had  
20 "decided not to purchase either.  
21 "On May 22nd, 1959, Shaba and Duncan  
22 "were convicted on the stated charge,  
23 "with the charge against Ferrier  
24 "being dismissed. The thirteen  
25 "men found-in were also convicted."

26 Q. Would you read the paragraph  
27 at the foot of the page?

28 THE COMMISSIONER: I am not quite  
29 following that. This was a raid on the  
30



The first of these is the fact that the  
 Commission has not yet received any  
 information from the Government as to  
 whether or not the Government is  
 prepared to accept the findings of the  
 Commission. The second is the fact  
 that the Commission has not yet  
 received any information from the  
 Government as to whether or not the  
 Government is prepared to accept the  
 findings of the Commission. The third  
 is the fact that the Commission has  
 not yet received any information from  
 the Government as to whether or not  
 the Government is prepared to accept  
 the findings of the Commission. The  
 fourth is the fact that the Commission  
 has not yet received any information  
 from the Government as to whether or  
 not the Government is prepared to  
 accept the findings of the Commission.

at the foot of the page?  
 THE COMMISSIONER: I am not sure  
 following case. This was a raid on the





1 premises of the Glenbrook Country Club?

2 A. Glenbrook Country Club.

3 MR. WILSON: No, not what it says.

4 THE COMMISSIONER: What do you say it was?

5 MR. WILSON : I say it was a raid at  
6 3263 Dundas Street, and at that address they  
7 found applications for membership in the  
8 Glenbrook Country Club.

9 THE WITNESS: They found applications  
10 for membership in the Greek-Canadian. I am  
11 sorry.

12 MR. ESTEY: Q. "At the time of investigation",  
13 you see?

14 A. "At the time of this investigation  
15 "a number of membership application  
16 "forms were found on the premises  
17 "for the Glenbrook Country Club,  
18 "along with a number of membership  
19 "cards for the Greek-Canadian Club."

20 The report is in respect to the Glenbrook Country  
21 Club.

22 THE COMMISSIONER: All right. Now go  
23 back a little way and spell out Shaba. Turn  
24 the page over.

25 A. S-h-a-b-a.

26 Q. He was one of the people found at  
27 the time of the raid?

28 A. Yes, he was found, yes.

29 Q. And he was interviewed?  
30



...of the ...

MR. ALISON: No, not what is there.

THE COMMISSIONER: What do you say to that?

MR. ALISON: I say it was a rule to

1203 ...

found applications for membership in the

...

...

...

...

...

...

A. "At the time of this investigation

"a number of membership applications

"forms were found on the premises

"...

"along with a number of membership

"forms for the ...

The report is in respect to the ...

...

THE COMMISSIONER: All right. Now go

back a little way and speak out again. This

the page over.

A. 2-2-2-2.

Q. He was one of the people in the

...

A. Yes, he was found, yes.

Q. And he was ...



1 A. Yes.

2 Q. He said something about having  
3 been offered charters?

4 A. Yes.

5 Q. Read that part to me again. I didn't  
6 grasp it.

7 A. "When questioned regarding the  
8 "aforementioned clubs, Shaba stated . . . "

9 Q. Excuse me for interrupting.  
10 "The aforementioned clubs" -- you refer to the  
11 Glenbrook?

12 A. The Glenbrook and the Greek-  
13 Canadian.

14 "When questioned regarding the  
15 "aforementioned clubs, Shaba stated  
16 "that he had been offered both  
17 "charters for the sum of \$2,000,  
18 "each from a Toronto solicitor, but  
19 "after some deliberation he had  
20 "decided not to purchase either."

21 MR. ESTEY: Would you mind reading in the  
22 context of what you have read, Mr. Gudney, the  
23 paragraph below that starting "Shortly  
24 thereafter", and then would you be good  
25 enough to read the paragraph on the next  
26 page starting "Archie Adler"?

27 A. "Shortly thereafter, investigation  
28 "revealed that the Nottawa Community  
29 "Club charter had been obtained for  
30





Q. He said something about having

some other information

A. Yes.

Q. Well, that's what we want. I think

that's

A. When questioned regarding the

"interrogated child, Spain, Spain, Spain"

Q. Please be for investigation.

"The interrogated child -- you refer to the

interrogated

A. The child and the other

interrogated

"When questioned regarding the

"interrogated child, Spain, Spain, Spain"

"That he had been ordered to

interrogate the child and the other

"That from a Toronto, Ontario, and

"After some discussion he had

"Decided not to purchase either.

Q. Now, would you mind reading to me

some of what you have read, Mr. Gurney, the

paragraph below the article "Interrogated"

interrogated, and then would you be good

enough to read the paragraph on the next

page starting with the word

A. "Shortly thereafter, investigation

"revealed that the Boston Community

"Club chapter had been obtained for



1 "use in lieu of the Greek-Canadian and  
2 "Union Jack (Toronto) Clubs at  
3 "1601 Dundas Street West, resulting  
4 "in an investigation into the Nottawa  
5 "Community Club charter. It was  
6 "ascertained that the latter-mentioned  
7 "charter was similarly used to hide  
8 "illegal gaming and betting activities,  
9 "and again an adverse report was  
10 "directed to the Provincial  
11 "Secretary's Department by the  
12 "Chief of Police. Notification  
13 "was received by this Department on  
14 "March 2nd, 1960, that the Nottawa  
15 "Club charter had been cancelled  
16 "as of March 26, 1960.

17 . . . . .

18 "Archie Adler, although officially  
19 "only a member of Athene Social  
20 "Club, was known to be a manager  
21 "on a number of occasions, when  
22 "investigations were made on the  
23 "premises. He acted in that  
24 "capacity. He stated at this time  
25 "that the premises were now known  
26 "as the Glenbrook Country Club  
27 "and he produced a photostatic  
28 "copy of the charter, remarking  
29 "that he had received notification  
30



"use in lieu of the Green-Glasson and  
[illegible] (Green-Glasson) [illegible]  
[illegible] [illegible] [illegible]  
"an investigation into the history  
[illegible] [illegible] [illegible]  
[illegible] [illegible] [illegible]  
"chapter was similarly used to him  
"financial, mental, and bodily activities  
"and again an adverse report was  
[illegible] [illegible] [illegible]  
"directed to the Provincial  
"Secretary's Department by the  
[illegible] [illegible] [illegible]  
[illegible] [illegible] [illegible]  
"was received by this Department on  
"March 2nd, 1900, that the [illegible]  
[illegible] [illegible] [illegible]  
"as of March 20, 1900.  
[illegible] [illegible] [illegible]  
[illegible] [illegible] [illegible]  
[illegible] [illegible] [illegible]  
"only a member of the Social  
"Club, was known to be a member  
"on a number of occasions, when  
"investigation was made on the  
"premises. It was noted that  
"exactly. He stated at this time  
"that the premises were now known  
"as the Glenduck County Club  
[illegible] [illegible] [illegible]  
"copy of the chapter, [illegible]  
"that he had received notification

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1 "from the Provincial Secretary that the  
2 "charter for the Athene Social Club  
3 "had been cancelled the week previous.  
4 "When asked by investigating officers  
5 "how much he had paid for the charter,  
6 "he replied: 'You don't expect me to  
7 "tell you, do you?'. However, he  
8 "went on to say that he had paid  
9 "a corporation lawyer \$500 to make  
10 "sure there were no loopholes in it.  
11 "He further stated that he was a  
12 "director of the Glenbrook Country  
13 "Club and had been for a week,  
14 "although he did not know the other  
15 "officers of the club. Adler had  
16 "on his person \$351 in bills and  
17 "approximately \$5 in change. A  
18 "check of the club cash register  
19 "revealed \$61 in small bills.  
20 "Adler said that he had been charging  
21 "ten cents per hour per person for  
22 "cards with a fifty cent maximum.  
23 "Membership cards in the name of  
24 "the ~~Bankrak~~ Glenbrook Country  
25 "Club for the year 1960-1961 were  
26 "found on the premises, and 32  
27 "of the 39 persons found-in were  
28 "questioned regarding membership.  
29 "Ten were found to be non-members  
30



"from the Provincial Secretary and the

"committee for the Athens Social Club

"had been cancelled the week previous.

"The ... of ...

"and ... the ...

"he replied: 'You don't expect me to

"tell you, do you?'. However, he

"went on to say that he had paid

"a corporation lawyer \$500 to make

"sure there were no loopholes in it.

"The father stated that he was a

"director of the Chesapeake County

"Club and had been for a week.

"Although he did not know the other

"officers of the club, Adler had

"on his person \$501 in bills and

"approximately \$5 in change. A

"check of the club cash register

"revealed \$61 in small bills.

"Adler said that he had been operating

"ten cents per hour per person for

"cards with a fifty cent maximum.

"He stated cards in the name of

"the ...

"Club for the year 1900-1901 were

"found on the premises, and he

"questioned regarding membership.

"Ten were found to be non-members



1 "while 22 were in possession of Glenbrook

2 "Country Club membership cards.

3 "Subsequently Adler was charged with

4 "keeping a common gaming house, and

5 "the 39 persons on the premises charged

6 "as being found-in."

7 Would you like me to read ---

8 Q. No, that is sufficient for my  
9 purposes, Mr. Cudney. Now, Mr. Cudney, let  
10 us move on. That charger was subsequently  
11 cancelled, was it not?

12 A. Yes.

13 Q. December 6th, 1960?

14 A. Cancelled December 22nd, 1960.  
15 It was cancelled on ---

16 Q. Yesterday, Mr. Cudney, you ---

17 THE COMMISSIONER: It was cancelled on  
18 what ground?

19 A. On a conviction, my lord, for  
20 keeping a common gaming house.

21 Q. Then they did treat these premises  
22 as the premises of the Glenbrook Country Club.  
23 Mr. Adler was not charged?

24 A. I have the old file here, my lord.  
25 I wrote to the club on December 15th, 1960,  
26 to the effect that one Dennis Lomuti, the  
27 vice-president of the club, was convicted  
28 of keeping a common gaming house at 799A  
29 Dundas Street West, being the premises of the  
30





"While SS were in possession of Glasgow"

"I have been thinking about it for some time"

"I have been thinking about it for some time"

"I have been thinking about it for some time"

"I have been thinking about it for some time"

"as being a mistake."

Would you like me to read --

Q. No, that is sufficient for me.

purpose, Mr. Gurney. Now, Mr. Gurney, did

the committee, the committee, the committee,

canceled, was it not?

A. Yes.

Q. I am sorry, but I am not sure.

A. I am sorry, but I am not sure.

It was canceled on --

Q. I am sorry, but I am not sure.

THE COMMISSIONER: It was canceled on

that day.

A. On a conviction, my lord, for

keeping a common gaming house.

Q. Then they did these things because

as the premises of the Glasgow County Club.

Mr. Adams was not charged?

A. I have the old file here, my lord.

I wrote to the club on December 15th, 1900,

to the effect that one Dennis Bonnell, who

was a member of the club, was arrested

of keeping a common gaming house at 122A

South Street West, being the premises of the



1 club, and advised the charter would be cancelled.

2 I think that is the same premises as mentioned.

3 MR. WILSON: No, it is different. We  
4 are talking about 3263 Dundas before.

5 THE COMMISSIONER: Perhaps nothing turns  
6 on it.

7 MR. WILSON: I don't know that it does.

8 MR. ESTEY: Q. There is a mention of  
9 this question on your memorandum of 2nd May,  
10 1960, to your Mr. Margolian, dealing with  
11 the magistrate finding that it was not a  
12 bona fide social club. Whatever the  
13 address, that seems to be the magistrate's  
14 finding. I think it is on that that you  
15 acted, Mr. Gudney.

16 MR. WILSON: The memorandum of Mr.  
17 Margolian does not agree with Magistrate  
18 Thoburn.

19 THE WITNESS: I wrote to Mr. Margolian  
20 on May 2nd, 1960:

21 "I am attaching report from the  
22 "Inspector of the Morality Bureau  
23 "referring to the above club. I  
24 "would appreciate it if you would  
25 "look over this report and discuss  
26 "it with me at your earliest  
27 "convenience."

28 Then there is a memo ---

29 MR. ESTEY: Q. Then he reported on 22nd  
30



Mr. Wilson: No, it is different. We

Mr. Wilson: I don't know that is close.

1900, to your Mr. Harpold's, really with  
the magistrate thinking that it was not a  
home like social class. However, the

finding. I think it is on that that you

THE WITNESS: I wrote to Mr. Harpold

on May 2nd, 1900:

"I am enclosing report from the

"Inspector of the Society of the

"referring to the above class. I

"would appreciate it if you would

"look over this report and discuss

"it with me at your earliest

--- on a later date





1 November you received a certificate of conviction  
2 of Dennis Lomuti, vice-president of the club,  
3 on a charge of keeping. Dennis Lomuti, it  
4 looks like.

5 A. In November, yes, I received,  
6 November 24th I received a copy of the  
7 conviction.

8 Q. Yes, and is he shown as vice-  
9 president of the club?

10 A. It says -- well, in the certified  
11 copy of conviction it just names Dennis Lomuti.

12 Q. Was this in the old file ---

13 THE COMMISSIONER: Does that make any  
14 difference?

15 MR. ESTEY: None to me. The question  
16 was asked and I thought I would get the  
17 answer.

18 THE COMMISSIONER: Doesn't make any  
19 difference to me.

20 MR. ESTEY: Let us move on, Mr. Cudney.

21 MR. WILSON: I mean, if he is suggesting  
22 there was delay, there apparently was some  
23 reason internally.

24 THE COMMISSIONER: That is not Mr.  
25 Estey's purpose in referring to the Glenbrook  
26 Country Club, as I understand it.

27 MR. ESTEY: No, that is right, my lord.

28 Q. Mr. Cudney, I would like to  
29 turn now to the Arlington Athletic Club. While  
30



whether you received a certificate of conviction

of Dennis Thomas, vice-president of the club,

on a charge of keeping a house of prostitution.

A. In November, yes, I received,

November 23rd I received a copy of the

yes, and as he shows in the

president of the club?

A. It says -- well, in the certified

copy of conviction it just names Dennis Thomas.

Q. Was this in the old file --

MR. NIXON: None to me. The question

was asked and I thought I would get the

answer.

reference to me.

MR. NIXON: Let us move on, Mr. Oswald.

MR. NIXON: I mean, if he is a convict,

there was delay, there apparently was none.

response internally.

THE COURT: That is not it.

State's purpose in referring to the conviction

was to show that he was a convict.

MR. NIXON: No, that is right, my lord.

Q. Mr. Oswald, I would like to

ask you if the conviction was for



1 that file is being looked up, you yesterday were  
2 searching in your memory for the club that  
3 was another example of the branch operations,  
4 and the next club I was going to discuss  
5 was the Miners' Club, and I think that will  
6 call back to your mind ---

7 A. Yes.

8 Q. That that was the club you had  
9 in mind?

10 A. Yes. This morning in looking  
11 over these others I did happen to get that  
12 file out, I am pretty sure. I will just  
13 check the file. I have the Arlington file  
14 here.

15 Q. That was incorporated, I think,  
16 in 1923?

17 A. October, 1923.

18 Q. First of all, I notice on the  
19 file away back in 1930 there is a memorandum  
20 to the effect that the club, this company  
21 has been out of business since 1924 and  
22 location of charter unknown.

23 THE COMMISSIONER: What date is that?

24 MR. ESTEY: That is the 29th of October,  
25 1930.

26 THE COMMISSIONER: Memorandum from whom  
27 to whom?

28 MR. ESTEY: It is the Department memorandum  
29 signed by the officer controlling revenue, re  
30





that file in being looked at, not yesterday.

Q. Now, in the morning, in looking at the file, did you find anything?

A. Yes, another example of the bunch operation.

Q. And you found it in the morning, is that right?

A. Yes, I found it in the morning.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes, I found it.

Q. Now, did you find anything else?

A. Yes.

Q. Now, did you find anything else?

A. Yes.

Q. Now, did you find anything else?

A. Yes, I found it.



1 Arlington Athletic Club.

2 THE WITNESS: What date is that again,  
3 Mr. Estey?

4 MR. ESTEY: Q. 29th October, 1930.

5 A. 29th October, 1930.

6 THE COMMISSIONER: Is what?

7 A. Is a memorandum from the Controller  
8 of Revenue to our Department that Mr. Goodman,  
9 Barrister, advises in a letter to the  
10 Department that this company has been out  
11 of existence since 1924, and the location  
12 of the charter is unknown.

13 MR. ESTEY: Q. Just passing quickly  
14 through your "C" file, I think in 1955 you  
15 received all at the one time eleven different  
16 returns.

17  
18 (Page 13030 follows)  
19  
20  
21  
22  
23  
24  
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30



Enclosed for you are:

1. A copy of the report of the

2. A copy of the report of the

3. A copy of the report of the

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15. A copy of the report of the

(See page 11)





C/3

1 THE COMMISSIONER: Under what date?

2 MR. ESTEY. November 14th, 1955, returns  
3 for the years 1945 through 1955.

4 THE WITNESS: Yes, on November 11th, 1955  
5 we received returns for 1945 to 1947 and then -  
6 1945 and also 1947 to 1955 inclusive.

7 Q. There is a gap. Then I think,  
8 Mr. Cudney, in 1962 you acted upon the  
9 forfeiture arising from this period and your  
10 memorandum, your letter to the club is dated  
11 9th February, 1962.

12 A. Yes, there had been ---

13 THE COMMISSIONER: Let us have the letter  
14 to the club, what they say.

15 A. February 9th, 1962.

16 Q. February?

17 A. February 9th, 1962.

18 Q. How did I get November?

19 A. "Re Arlington Athletic Club

20 "It would appear the the

21 "corporate powers of the above

22 "corporation were forfeited for

23 "non-user under Section 27 of

24 "The Companies Act or predecessor

25 "of that section, and that the

26 "corporation has been purporting

27 "to operate after such forfeiture.

28 "I would advise that unless cause

29 "to the contrary is shown, an order  
30



THE COMMISSIONER: Now, what was

the date of the meeting, I think, was

the date of the meeting, I think, was

THE WITNESS: Yes, on November 11th, 1942

the date of the meeting, I think, was

1942 and also 1941 to 1938 inclusive.

Q. There is a fact. Then I think,

Mr. Gurney, in 1938 you acted upon the

information which was given to you

memorandum, your letter to the club in dated

28th February, 1938.

A. Yes, there had been --

THE COMMISSIONER: But as have the letters

to the club, what they say.

A. I think, yes, that.

A. I think, yes, that.

A. February 28th, 1938.

A. I think, yes, that.

A. I think, yes, that.

"It would appear that the

"corporate records of the above

"corporate records of the above

"non-appearing Section 27 of

"non-appearing Section 27 of

"of that section, and that the

"corporation has been supporting

"the same as the other companies.

"I would advise that unless some

"to the contrary is shown, an order



1 "will be made on or after  
2 "February 19th, 1962 under  
3 "subsection 1 of Section 326  
4 "of The Corporations Act  
5 "cancelling the letters patent  
6 "of the above corporation for  
7 "cause."

8 THE COMMISSIONER: Where in the brief,  
9 if anywhere, is the Arlington Athletic Club  
10 referred to?

11 MR. ESTEY: In the main brief, my lord,  
12 page 33, it is one of the clubs which were  
13 named in supplementary information submitted  
14 through Commission counsel, and it is listed  
15 in Appendix K at page 10.

16 Q. Now, in your old file, Mr. Cudney,  
17 057062, I would like to ask you one rather  
18 unrelated question here. The first document  
19 in your file appears to be a memorandum from  
20 you to the Minister dated 20th January, 1962.  
21 You see that?

22 A. Yes.

23 Q. Your letter to the club was  
24 dated February 9th, 1962. Now, would you read  
25 that memorandum, please?

26 A. "After my discussion with  
27 "you relative to the above club,  
28 "I wrote the club on February 9th  
29 "advising that the letters patent  
30







1 "would be cancelled for cause  
2 "on or after February 19th,  
3 "unless cause was shown to the  
4 "contrary. Today I received a  
5 "telephone conversation from Mr.  
6 "Joseph Gould, Q.C. advising that  
7 "yesterday one of the directors  
8 "to whom a copy of the letter of  
9 "cancellation was sent, telephoned  
10 "him. He is not sure whether the  
11 "director wishes to have a hearing  
12 "or not, and asked us to hold the  
13 "letter up in the meantime. I  
14 "requested him to advise us one way  
15 "or the other in writing whether a  
16 "hearing was desired in the course  
17 "of the next day or so."

18  
19 You see, Mr. Estey, this is a registered letter  
20 on February 19th to the club.

21 THE COMMISSIONER: February 19th or 9th?

22 A. February 9th, my lord, and then  
23 this one was January 20th. I think it should  
24 be February 20th.

25 MR. ESTEY: Q. I see. All right.

26 A. They have got the date wrong.

27 Q. I couldn't see how Gould would  
28 know about that letter two weeks ahead of it.

29 A. It followed the letter of the  
30 9th which was a registered letter, this went



Q. Now, did you see the letter?

A. Yes, I saw the letter.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.

Q. And you saw it on the 20th of January?

A. Yes, I saw it on the 20th of January.





1 out.

2 Q. I am interested in the report on  
3 your old file from Inspector Thurston to Mr.  
4 Elliott which is forwarded to you on the 29th  
5 of January, 1962. The actual date of  
6 Inspector Thurston's report is 26th January,  
7 1962.

8 A. Yes, I have that.

9 Q. This is a very long report, and  
10 I would like you to read any part you think  
11 is germane, but I would like you to read from  
12 page 3, and would you read, please, the second  
13 full paragraph on that page which starts "On  
14 August 8th, 1960".

15 A. "On August 8th, 1960 Mr. Charles  
16 "Davey of 1527 Mississauga Road, who  
17 "first appears as the president of  
18 Club  
19 "the Arlington, in the 1938 annual  
20 "return, was interviewed by Detective  
21 "William Mitchell, Morality Bureau.  
22 "Mr. Davey stated: 'Along with Nat  
23 "Sandler we acquired the club charter  
24 "in 1939. It was political at that  
25 "time. Just how we got it and from  
26 "whom I would rather not say. I  
27 "operated the Arlington Club for about  
28 "seven years and then I applied for  
29 "a public house licence in the name  
30 "of the Arlington Public House. Then



336

• 20.1

4. "ON AUGUST 28th, 1950 Mr. Oration

5510

1950



1 "when this was granted I had no  
2 "use for the charter and it laid  
3 "dormant for eight years. There  
4 "were no meetings or clubrooms  
5 "maintained for it. In fact I had  
6 "forgotten about it. It was about  
7 "1954 when I was approached and told  
8 "that a person was interested in  
9 "the Arlington charter, so I was  
10 "able to file the returns for the  
11 "past eight years which cost me \$8.  
12 "I then turned the charter over to  
13 "this man and received \$1,000 for  
14 "my good-will".

15 Q. Does it go on to say "This is  
16 a signed statement"?

17 A. Yes, it says, "This is a signed  
18 statement".

19 Q. Now, over on the next page at  
20 the top of the page, reading from the paragraph  
21 starting "Mr. Louis Spizzirri".

22 A. "Mr. Louis Spizzirri,  
23 "formerly 331 Cedarvale Avenue,  
24 "now residing at 619 Lansdowne  
25 "Avenue, appears as the vice-  
26 "president in the 1957 through  
27 "to 1959. When interviewed by  
28 "Detective Banks on January 25th,  
29 "1962 he stated that he was the  
30





"When this was granted I had no

"I had no money on my person

"I had no money on my person

"I had no money on my person

"I had no money on my person

"I had no money on my person

"I had no money on my person

"I had no money on my person

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"I had no money on my person

"I had no money on my person

"I had no money on my person

"I had no money on my person



1 "vice-president when Tony Cutrara  
2 "had the charter, but he could not  
3 "recall the exact date that he quit  
4 "except that it was when one Simone  
5 "took over the charter. Roy Simone,  
6 "now residing at 124 Mallam Street,  
7 "has been found on the premises  
8 "when visits have been made by the  
9 "police."

10 In view of the foregoing facts he  
11 respectfully recommends that representations  
12 be made for the cancellation of the charter.

13 Q. And that is back in January?

14 A. Is dated January.

15 THE COMMISSIONER: 26th.

16 MR. ESTEY: Q. 26th?

17 A. 26th, 1962.

18 Q. And your cancellation date?

19 A. Well, it has not been ---

20 THE COMMISSIONER: February 9th, 1962.

21 A. That was my letter advising  
22 of cancellation, my lord. There has been ---

23 MR. ESTEY: Q. That has been delayed  
24 now. Perhaps we should discuss it.

25 A. Yes.

26 Q. I just wondered if it had not  
27 yet been cancelled?

28 A. It has not yet been cancelled  
29 because there has been quite a bit happening  
30



1915

Таблицы поделены на 2 группы

... it has been ...

35 4

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It has not been established.





1 since that time in the way of ---

2 THE COMMISSIONER: In the way of what?

3 A. Well ---

4 MR. ESTEY: Q. I think you can explain  
5 that if you would turn to your memorandum of  
6 2nd March, 1962. Perhaps I can help you.  
7 Some charges were laid against individuals  
8 thereafter?

9 A. That is right.

10 Q. And you were convening a hearing  
11 under your Corporations Act procedure?

12 A. Yes.

13 Q. Then you received a request from  
14 the lawyers acting for the club or the  
15 individuals who were charged, xxx and they  
16 asked you not to go on until they had disposed  
17 of the criminal charges?

18 A. Not to go on until the criminal  
19 charges had been disposed of.

20 MR. WILSON: Who were the lawyers?

21 MR. ESTEY: Q. Peter Slaght?

22 A. Peter Slaght.

23 Q. I think there is more than one.  
24 We will come to that in a moment. If you  
25 turn to your memorandum of 30th May, 1962  
26 to your Minister, you deal with this question  
27 of the charges?

28 A. From myself to Mr. Yarenko,  
29 May 30th, 1962:  
30



THE COMMISSIONER: In the way of what?

MR. WATSON: Q. I think you can understand.

Some charges were laid against individuals.

A. That is right.

Q. When you received a request from

individuals who were charged, and they asked you not to go on until they had disposed

A. Not to go on until the original

charges had been disposed of.

MR. WATSON: Who were the lawyers?

MR. WATSON: Q. Peter Blaght?

A. Peter Blaght.

Q. I think there is more than one.

We will come to that in a moment. If you

to your mind, you deal with this question

of the charges?

A. Yes, sir.



1                   "       With further reference to  
2                   "the above club, I am in receipt  
3                   "of a letter from Deputy Chief  
4                   "Ellibtt, Metro Toronto Police,  
5                   "advising that Sam Nulle and Ronald  
6                   "Martin were convicted on May 22nd,  
7                   "1962, of keeping a common gaming  
8                   "house.   Certified copies of the  
9                   "convictions are attached.   The  
10                  "offences took place at 1628 Queen  
11                  "Street East, being the premises  
12                  "of the club.   You will note that  
13                  "in the Deputy Chief Elliott's  
14                  "letter it is indicated that Magistrate  
15                  "Addison stated that he did not  
16                  "believe this was a bona fide social  
17                  "chartered club.  
18  
19                  "       I ask for a direction with  
20                  "respect to the cancellation of  
21                  "the charter."

22       Then there is a further memorandum, May 31st:

23                  "       Mr. Yaremko spoke to me  
24                  "today in reference to my memorandum  
25                  "of May 30th concerning the above  
26                  "club.   He asked me to hold a  
27                  "hearing in the matter, and in my  
28                  "letter to the club to indicate  
29                  "that in addition to the grounds  
30                  "specified in my previous letter





...the above club, I am in receipt

"of a letter from Deputy Chief

"advising that the club has been

"of the club. You will note that

"in the letter from Deputy Chief

"there is no mention of the club

"Addison stated that he had not

"received the letter from Deputy Chief

"I am not a member of the club

"I am not a member of the club

"I am not a member of the club

"I am not a member of the club

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"I am not a member of the club



1 "of cancellation, we would also  
2 "consider the conviction in question  
3 "as grounds for cancellation."  
4

5 Q. Now, Mr. Cudney, this set of  
6 facts repeats in other clubs, and we will just  
7 use this one as an example. Here you are  
8 with a long gap in the club's history where  
9 they do not file returns; then you get a  
10 police report where they interview the owner  
11 and he said, "I forgot about it. It became  
12 dormant and I didn't need it"; then you send  
13 out a notice saying you are going to cancel  
14 for forfeiture, and then the police charge  
15 someone with a gambling offence on the premises.  
16 Now, my simple question is, in this set of  
17 circumstances why do you hold up your  
18 cancellation procedure because there are  
19 criminal charges against individuals?

20 A. Well, the basis for our  
21 cancelling the charter is because an offence  
22 has taken place upon the club premises, that  
23 the club has been a party - as I said, an  
24 association (I don't know whether that is a  
25 good word or not); has been charged with the  
26 wrongful act, and we wait until there is -  
27 if there is a charge we wait until the charge  
28 is disposed of.

29 Q. Yes, on your letter of 9th of  
30 February. You see, the club which started

C/4



"consider the conviction in question"

Q. Now, Mr. Gurney, this act of

these reports in other clubs, and we will find

with a long gap in the club's history where

they do not file returns; then you get a

and he said, "I forgot about it. It became

derogatory and I didn't need it"; then you send

out a notice saying you are going to cancel

for forfeiture, and then the police change

Now, my whole question is, in this act of

circumstances why do you hold up your

association on procedure because there are

original charges against individual?

A. Well, the point is

conceding the charter is because an offense

has taken place upon the club premises, that

the club has been a party - as I said, an

association (I don't know whether that is a

good word or not); has been charged with the

wrongful act, and we wait until there is -

if there is a charge we wait until the charge

is disposed of.

Q. Yes, on your letter of Feb. 10

February. You see, the club which started





1 the ball rolling, you then said this is  
2 forfeiture under Section 27 of the old Act.

3 A. Yes.

4 Q. Now, a forfeiture under the old  
5 Act could not conceivably be affected by  
6 criminal prosecution of individuals, be they  
7 officers or not, could it?

8 A. No, I mean, there would be no  
9 suggestion of the criminal until the charge  
10 was laid.

11 Q. Yes, but you did defer your  
12 hearing, and this is the reason why that charter  
13 was not cancelled at that time, is it not,  
14 with the intervening conviction plus the  
15 appeal and the requests for delay?

16 A. Yes.

17 Q. I am just asking you why the  
18 Department does not proceed with the forfeiture  
19 under the old Section 27.

20 MR. WILSON: Also Mr. Gould.

21 MR. ESTEY: I think if the witness looks  
22 up his file, Mr. Slaght ---

23 MR. WILSON: Also Mr. Gould.

24 MR. ESTEY: Q. My question is, as  
25 a matter of policy, why does the Department  
26 do that?

27 A. In this particular case, just  
28 to review it a moment ---

29 THE COMMISSIONER: Individuals were  
30



the said witness, and that was in  
testimony under Section 27 of the old Act.

Q. Yes.

Q. Now, a testimony under the old

Act could not conceivably be received by

any court as evidence of any fact.

A. Yes, it could not.

Q. Now, I think, testimony under the

suggestion of the original until the change

was made.

Q. Yes, but you did before your

testimony, and that is the point of the case.

was not considered at that time, is it not?

A. Yes, it was not considered at that time.

Q. And the request for delay?

A. Yes.

Q. I am just asking you why the

Department does not proceed with the testimony

under the old Section 27.

A. Because it is not evidence.

MR. KETTER: I think it is the witness' failure

up his file, Mr. Wright ---

MR. KETTER: All right, Mr. Wright.

MR. KETTER: Q. My question is, as

a matter of policy, why does the Department

do that?

A. In this particular case, I am

to review it a moment ---

THE COMMISSIONER: Indications were





1 charged, were they?

2 MR. ESTEY: Yes, individuals.

3 THE COMMISSIONER: Not the company.

4 MR. ESTEY: I was going to ask that  
5 question next.

6 THE WITNESS: If I might just take a  
7 moment to look at this again, just to get it  
8 in perspective, I wrote to the club on  
9 February 9th a letter of cancellation, and  
10 then a hearing was requested and I set the  
11 hearing for March 7th, 1962. And then ---

12 MR. ESTEY: Q. Then the charges came  
13 along?

14 A. Then the charges.

15 Q. I don't see the name, as a  
16 matter of fact, but the man who asked for the  
17 adjournment is Mr. Peter Slaght, am I not right?

18 A. Just a moment.

19 Q. I don't know that anything turns  
20 on it, but that is the man who did. Now, we  
21 have gone through all the chronology of it.  
22 I think perhaps your answer is you don't know  
23 why you do that. If there nothing better  
24 than that, let us get on with the next question.

25 A. The only reason would be, this  
26 is just - why we hadn't proceeded on the  
27 grounds of the cancellation of the forfeiture,  
28 one reason might possibly have been that  
29 the people were tied in - there may have been  
30





changed, were they?

Q. Yes, they were.

Q. And the other one, was it changed?

A. Yes, I was going to say that.

Q. Now, let's go back.

Q. The witness: Is it right that when

you went to look at this again, that you got

an impression, I wrote to the club on

the 10th of March, 1902, that

there was a meeting was proposed and I set the

meeting for March 10th, 1902. And then --

Q. Now, let's go back to the 10th of March, 1902.

Q. Now,

Q. Now, let's go back to the 10th of March, 1902.

Q. I don't see the name, as a

matter of fact, but the man who called for the

organization in the Peter Skene Ogden, as I now recall.

A. Just a moment.

Q. I don't know what anything there

on it, but that is the man who did. Now, we

have gone through all the chronology of it.

I think perhaps your answer is you don't know

why you do that. I wrote nothing never.

Q. Now, let's go back to the 10th of March, 1902.

A. The only reason would be, that

is that -- why we hadn't proceeded on the

grounds of the cancellation of the Fortitude.

Q. Now, let's go back to the 10th of March, 1902.

Q. Now, let's go back to the 10th of March, 1902.



1 something in the club books that would be  
2 helpful until the case was disposed of.

3 However, I may say this case has gone  
4 along a bit further, because following the  
5 adjournment there was a conviction and then  
6 the conviction was appealed.

7 Q. Yes?

8 A. And the proceedings were held up  
9 till the appeal was disposed of. Then the  
10 Minister asked me - I wrote to Mr. Common -  
11 no, I advised Chief Mackey that it was being  
12 held up until the appeal was disposed of. There  
13 were three of these clubs had been proceeding  
14 the same way. There is the Arlington,  
15 the Parthenon and the Atlas.

16 Q. That is right, all about the  
17 same?

18 A. All about the same time., and  
19 they are much all in the same category from  
20 the standpoint of this procedure.

21 Q. Parallel proceedings?

22 A. Parallel proceedings.

23 Q. I will deal with this one. You  
24 don't really ---

25 MR. WILSON: Let the witness answer.  
26 He has got something to say.

27 THE WITNESS: Then Chief Mackey, as  
28 I see it, made further representations.

29 THE COMMISSIONER: We are getting away  
30



something in the old book that would be

without that the book was not correct.

However, I may say that once the case

came to the court, the court was not

anxious to have a conviction and then

the court was not anxious to

O. Yes?

A. And the proceedings were held up

until the appeal was disposed of. Then the

Minister asked me - I wrote to Mr. Gannon -

that I would not hold the appeal up

hold up until the appeal was disposed of. There

were three of these cases had been proceeding

the same way. There is the Manning case,

the Parthenon and the Atlas.

O. What is right, all about the

A. All about the same thing, and

they are much all in the same category. It is

the standpoint of this procedure.

O. Parallel proceedings?

A. Yes, that is the case.

O. I will deal with this one. You

don't really --

MR. JUSTICE: Let the witness answer.

He has got something to say.

THE WITNESS: Yes, your Honor.

I see it, more than other representations.

THE WITNESS: Yes, your Honor.





1 from the point.

2 A. No. Then I wrote at the  
3 Minister's suggestion ---

4 Q. I suggest we are getting away  
5 from the point, certainly the point that Mr.  
6 Estey has in mind.

7 A. I would say this ---

8 Q. Just answer me a moment. Let me  
9 say what I understand him to have in mind.  
10 On February 9th you wrote to the company that  
11 you proposed to cancel the charter for  
12 forfeiture of the powers by reason of non-  
13 user?  
14

15 A. Yes, my lord.

16 Q. Mr. Estey wants to know why these  
17 proceedings by you were held up, and you say:  
18 "Well, there were certain persons convicted  
19 and there was an appeal pending"; and whether  
20 certain persons were convicted or not had  
21 nothing to do with the fact, as you allege,  
22 that the powers had been forfeited.

23 A. Yes, one of the ---

24 Q. He is curious to know why you  
25 did not proceed.

26 A. Well, one of the grounds --  
27 You see, another ground was added for  
28 cancellation, was the conviction.

29 Q. I know. Originally you said  
30 to the company, "Now, we are going to cancel



Now the matter.

A. No. Then I wrote to the

Secretary of the

and I

and I

and I

A. I would say this --

Q. Just answer me a moment, and we

may what I understand him to have in mind.

On February 19th you wrote to the Secretary that

you proposed to cancel the charter for

and I

and I

A. Yes, sir.

Q. Mr. Kelly wants to know why there

is no

and I

and there was an appeal pending; and the other

certain persons were convicted or not had

nothing to do with the fact, as you alleged,

that the persons had been convicted.

A. Yes, one of the --

Q. He is anxious to know why you

and I

A. Well, one of the grounds --

Yes, one, another ground was added for

and I

and I

so the ground, "Now, we are going to cancel





1 your charter for forfeiture of your powers  
2 by reason of non-user". Now, anything that  
3 has happened since then has not had anything  
4 to do with the forfeiture of their powers.  
5 Mr. Estey is curious to know why you did not  
6 proceed and ignore what happened afterwards.

7 A. Well, there are two reasons, my  
8 lord. One is, as I said a moment ago, there  
9 may have been, these individuals who are  
10 charged, there may have been something in  
11 the - if the charter is cancelled the books  
12 will be destroyed and there may be something  
13 that may have been of assistance in the  
14 proceedings.

15 Q. In what proceedings?

16 A. In the criminal proceedings.

17 Q. But the company was not charged?

18 A. No, but in the individuals, there  
19 may possibly have been something. It is not  
20 too likely but there could have been. Also  
21 what we could have done is gone ahead, just  
22 to cancel alone on the forfeiture, or we  
23 added another ground, the conviction, and  
24 waiting until the conviction, the appeal  
25 was disposed of, we could have done both.  
26 However, I would say this, my lord, that I  
27 wrote to the club on September 25th and  
28 asked them, following the advice of the  
29 Attorney-General's Department that followed at  
30





your character for honesty of your person  
is reason of non-suicide. Now, regarding that  
the defendant states that you had no intention  
to go with the fortitude of such power.  
Mr. Wray is anxious to know why you did not  
surrender and stand with your countrymen.

A. Well, there are two reasons, my  
lord. One is, as I said a moment ago, there  
was this great, great temptation to me  
charged, there may have been something in  
the - if the answer is cancelled the book  
will be destroyed and there may be something  
that may have been of assistance in the

A. In the original proceedings.  
Q. But the answer was not given?  
A. No, but in the individual, there

may possibly have been something. It is not  
too likely but there could have been. Also  
what we could have done is gone ahead, just  
to cancel along with the fortitude, or we  
could have done it, and we could have done both.  
Asking until the conviction, the appeal  
was disposed of, we could have done both.  
However, I would say this, my lord, that I  
went to the club on September 17th and  
asked them, following the advice of the  
Attorney-General's Department that followed at



1 Mr. Yarenko's suggestion, that we were within  
2 our rights to ask the club to close, to cease  
3 its operations until the appeal was disposed  
4 of.

5 I had a call from Mr. Silk. I had  
6 written to Mr. Common. Mr. Silk called me  
7 (this was in the summer time) and said, "You  
8 are within your rights to ask the club to  
9 close until the appeal is disposed of, not  
10 to carry on its operations".

11 I wrote to my Minister and he asked me  
12 to write the club, so I wrote the club on  
13 September 25th - no, I am sorry, July 25th -  
14 that if the club continues to operate before  
15 the appeal is disposed of, we will continue  
16 the cancellation of the charter, and I sent  
17 a copy of that letter to Chief Mackey. In  
18 other words, the club was not ---

19 Q. That was a dangerous letter, I  
20 suggest.

21 A. In other words, the club was  
22 not to operate.

23 Q. You are saying: "You would  
24 have the right to operate were it not for  
25 the fact that this appeal is pending"?

26 A. Yes.

27 Q. You are saying that in one breath  
28 and in a second breath are saying "You had  
29 no right to operate at all because you had  
30



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1 forfeited all your powers". Well, is  
2 this leading us anywhere?

3 MR. ESTEY: I think the point has been  
4 made. I was going to ask - surely the witness  
5 would have to agree that as a department they  
6 are not interested at all in whether or not  
7 these men are convicted.

8 Q. You are then going to resume  
9 your hearing on the forfeiture, aren't you?

10 A. That is right.

11 Q. So we are in the position of  
12 that old legal saw, that you give the man a  
13 fair trial and then hang him, because you are  
14 going to cancel this one for forfeiture.

15 A. That will be a ground. As a  
16 matter of fact, there is a hearing pending  
17 right now, because, just to complete the  
18 story, my lord, the club did not cease to  
19 operate after July 25th.

20 THE COMMISSIONER: Well, I understand  
21 Mr. Estey's point anyway. Let us have  
22 ten minutes.

23 ---Short recess.  
24  
25  
26  
27  
28  
29  
30

would have to agree that the

, 60 Joly 809 273 1004 939(3)

• STEIN AT JURY • A



D/1/FAL

1 ---On resuming after recess.

2  
3 MR. ESTEY: Q. Now, Mr. Cudney, the  
4 Greek-Canadian.

5 A. Mr. Estey, there is one thing,  
6 before leaving the last point.

7 Mr. Estey mentioned in cancelling the  
8 charter of the Arlington Club on the for-  
9 feiture powers. There is another possible  
10 reason why we did not proceed, and that is  
11 if we had cancelled the charter before the  
12 appeal was disposed of we would be -- it  
13 would be, in effect, it was not a bona fide  
14 social club. The accused, his possible defence  
15 might have been under Section 168 and we would  
16 perhaps be prejudicing his case if we had  
17 cancelled the charter when the appeal was  
18 heard.

19 THE COMMISSIONER: There may be some  
20 merit in that.

21 MR. ESTEY: Q. Let me ask you this:  
22 On the other hand, if the accused, by ~~the~~ reason  
23 of the fact the corporation should not be  
24 in existence, are you not then giving the  
25 accused a defence under 168 that he should  
26 not have?

27 A. I just don't get that point.  
28 If the charter -- giving the accused a  
29 defence if the charter was cancelled that he  
30 would not otherwise have?





10/1/40

THE UNITED STATES OF AMERICA

IN SENATE

WEDNESDAY, OCTOBER 1, 1940

REPORT OF THE

COMMISSIONER OF THE GENERAL INVESTIGATING BOARD

ON THE MATTER OF THE

ALLEGED VIOLATION OF THE

ANTI-TRUST LAWS BY THE

UNITED STATES STEEL CORPORATION

AND THE

AMERICAN IRON AND STEEL COMPANY

AND THE

UNITED STATES STEEL INDUSTRIES

AND THE

UNITED STATES STEEL INDUSTRIES

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1 Q. Seven years ago -- Put our-  
2 selves in the position of the clubs we are  
3 dealing with. Seven years before that in  
4 the Arlington Club history you could have  
5 cancelled for forfeiture, and you did eventually;  
6 you could have before the gambling charges were  
7 laid given notices to them and if the result  
8 of that hearing is the cancellation then the  
9 accused would have no defence under Section  
10 168.

11 A. No, he would not.

12 Q. Then, if the accused were cancelled  
13 under The Corporations Act of Ontario, then,  
14 you could not --

15 A. No, if we had cancelled they  
16 could not have invoked that defence.

17 Q. I suppose that verges into  
18 argument. I just wanted to get your answer on  
19 that point.

20 Take a look, now, at the Greek-Canadian  
21 Social Club incorporated -- Excuse me. This  
22 is --

23 A. It is an old one, incorporated  
24 April 22, 1915.

25 THE COMMISSIONER: Just a minute until  
26 we find where it is.

27 MR. ESTEY: Greek-Canadian is on page 51.

28 THE COMMISSIONER: Of the brief?

29 MR. ESTEY: Of the brief. It is called  
30



Q. Seven years ago -- Did you

believe in the position of the club we are

interested in?

A. I believe it was a very good

position for Toronto, and you did eventually

you could have better the financial position

and given notice to them and if the results

of that hearing is the cancellation then the

action would have no defence under Section

10.

A. No, we would not.

Q. If the action was cancelled

under the provisions of the Act, would you

not could not --

A. No, if we had cancelled they

could not have involved that defence.

Q. I suppose that varies into

argument. I just wanted to get your answer on

that point.

A. Yes, I think so.

Q. That is incorporated -- I mean me. What

is --

A. It is an old one, incorporated

into the Act.

Q. THE COMMISSIONER: That is a minor matter

we find where it is.

MR. JUSTICE: Order-Cancellation is on page 31.

THE COMMISSIONER: Of the brief?

MR. JUSTICE: Of the brief. It is called





1 the Greek-Canadian Club there. The file is  
2 entitled the Greek-Canadian Social Club. I  
3 do not suppose anything turns on it.

4 Q. It is the same club?

5 THE COMMISSIONER: And the appendix?

6 MR. CARTY: Appendix J, 6, 14, 20; and  
7 K, 3.

8 THE COMMISSIONER: All right, thank you.

9 When was it incorporated?

10 MR. ESTEY: In 1915.

11 A. 1915, my lord.

12 Q. My notes say this, strangely  
13 enough, has an anti-gaming clause, away back  
14 in 1915.

15 A. Yes. Many -- Around about that  
16 time, not the same wording, but an anti-  
17 gaming clause was put in. Anti-gambling and  
18 betting, in a number of charters.

19 Q. And, then, the practice died out  
20 and then it was revived?

21 A. It seems to have died out shortly  
22 after 1915. There are a lot around 1910  
23 have it.

24 Q. This charter was cancelled in 1959,  
25 I think December, 1959, Mr. Gudney?

26 A. December, 1959.

27 Q. So that we will know the cause  
28 as we go through, what were the grounds for  
29 cancellation?  
30



the Government of the State of New York.

Section 10 of the Constitution of the State of New York.

It is the duty of the State of New York.

to provide for the education of its children.

and to maintain a system of public schools.

and to provide for the education of its children.

2.

the State of New York.

It is the duty of the State of New York.

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the State of New York.

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to provide for the education of its children.

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to provide for the education of its children.

and to maintain a system of public schools.

and to provide for the education of its children.

the State of New York.

It is the duty of the State of New York.

to provide for the education of its children.



1 A. It was failure to produce books.

2 Q. The books. I see the first  
3 thing on your file is a letter away back  
4 in 1917 advising that the club was going out  
5 of business for lack of interest. It did not  
6 last a year. Do you see that?  
7

8 A. Yes. A letter from the solicitors --  
9 This was an Ottawa club, originally. The  
10 club did not last a year.

11 THE COMMISSIONER: Q. What date was  
12 that?

13 A. December, 1917, my lord.

14 MR. ESTEY: Q. Then, moving through  
15 the file to the year 1954 you will see, Mr.  
16 Cudney, a series of letters from people who  
17 are named as being directors and where they  
18 deny that they have been associated with the  
19 club. For example, on August 17, 1954,  
20 you received a letter from Mr. Barrette.

21 A. August 17?

22 Q. 1954. A. Yes. There is a letter,  
23 August 18, 1954, from Mr. Bergeron.

24 Q. All right, let us deal with that.

25 A. He says:

26 " I have never heard of,  
27 "or attended a meeting, or the  
28 "aforementkoned club, and my only  
29 "reason in joining said club was  
30 "to be able to play billiards.





Q. The books. I see the first

being on your file is a letter away back

in 1917 wherein, that the club was going out

of business for lack of interest. It did not

last a year. Is that right?

A. Yes, a letter from the association —

and we were not in the club.

That was the last of it.

Was that the last of it?

A. December, 1917, my son.

Q. Now, what was the reason

the file to the year 1917 you will see, Mr.

Ordway, a series of letters from people who

are named as being directors and where they

deny that they have been associated with the

club. For example, on August 11, 1917,

you received a letter from Mr. Harrold.

A. August 17?

Q. Yes. There is a letter,

August 18, 1917, from Mr. Harrold.

Q. All right, let us deal with that.

A. Yes.

"I have never heard of,

"I attended a meeting, on the

"unmentioned club, and my only

"reason in joining said club was

"to be able to play billiards.

b/s



1 " I have no idea how my name  
2 "got on the aforementioned club's  
3 "charter.

4 " I have never given my consent  
5 "to become a director, or to anyone,  
6 "to use my name, in any way,  
7 "whatsoever. How my name got to  
8 "be on this club's charter as a  
9 "director is beyond me, since it was  
10 "done without my knowledge and this  
11 "is the very first I hear of it."

12 Q. That is from Bergeron. Do you  
13 see a similar letter from Bazette and a  
14 similar letter from Diamond?

15 A. Yes. I have a letter from  
16 Bazette. He never attended any meetings.  
17 This is August, 1954. "I therefore could not  
18 be elected as a director".

19 Q. Then, Sam Diamond is shown as a  
20 director. Do you see the letter from him?

21 A. Yes. I have that here, August,  
22 1954.

23 " I was never elected or never  
24 "attended a meeting to my knowledge  
25 "and as far as I am concerned I was  
26 "never advised or consulted in any  
27 "way, financially or other, concerning  
28 "the above mentioned club."

29 Q. The only remaining director was  
30



"I have no idea how my name  
got on the aforementioned club's

"I have never given my consent

"Whatsoever. How my name got to  
be on this club's charter as a  
director is beyond me, since it was  
done without my knowledge and this  
is the very first I hear of it."

Q. That is from Bergeson. Do you  
see a similar letter from Bergeson and a  
similar letter from [unclear]

A. Yes. I have a letter from  
Bergeson. He never attended any meeting.  
This is August, 1934. "I therefore could not  
be elected as a director."

Q. Then, Sam Mammone is shown as a  
director. Do you see the letter from him?  
A. Yes. I have that here, August,

"I was never elected or never  
attended a meeting to my knowledge  
and as far as I am concerned I was  
never advised or consulted in any

Q. The only remaining director was





1 A. Potrin. You sent a letter on August 17,  
2 1954, to the address given in the annual  
3 return and it was returned no such address.  
4 Do you see that?

5 A. Yes, I have that.

6 Q. In 1954, at that time, there were  
7 returns with your Department setting out the  
8 board of directors, all of whom said they were  
9 not directors or the letters were returned?

10 A. That is correct.

11 Q. And that falls in the category  
12 of what I referred to yesterday of the amber  
13 light; this is your first warning?

14 A. Yes.

15 Q. This charter is about to change  
16 hands.

17 THE COMMISSIONER: What is the history  
18 of the filing of returns?

19 MR. ESTEY: The history from the outset,  
20 very briefly, my lord, is that for the first  
21 seven years after the company was incorporated  
22 there were no returns filed.

23 THE COMMISSIONER: Yes.

24 Then, what happened?

25 MR. ESTEY: Then, I believe, the returns  
26 came in regularly down to --

27 THE COMMISSIONER: Did the returns for  
28 the seven years come all in a bundle?

29 MR. ESTEY: Yes, they came all in one  
30



A. Pardon, you sent a letter on August 17,

1907, to the Board of Directors in New York.

Did you not say that you were not a director?

Do you see that?

A. Yes, I see that.

Q. In 1904, at that time, there were

returns with your department serving on the

Board of Directors, all of whom said they were

not directors on the letters were returned?

A. That is correct.

Q. Did you not say that you were not a director?

of what I referred to yesterday of the return

of the letters to you that were returned?

A. Yes.

Q. This character is about to change

is it not?

THE CHAIRMAN: What is the history

of the letters that were returned?

A. Yes, the letters that were returned

very briefly, my lord, is that for the time

seven years after the company was incorporated

there were no returns filed.

THE CHAIRMAN: Yes.

Then, were independent

MR. JUSTICE: Then, I believe, the returns

came in regularly down to --

THE CHAIRMAN: Did the returns for

the seven years come all in a bundle?

MR. JUSTICE: Yes, they came all in one



1 bundle, according to my notes.

2 Q. Is that correct, Mr. Cudney?

3 A. Yes, March 31, 1922.

4 Q. In the letter immediately following  
5 that a solicitor, Mr. Proudfoot, to your  
6 predecessor, advises he wanted to re-organize  
7 the club and put it on a more business-like  
8 basis. From then on the returns came in  
9 more regularly. I see no record of any  
10 pile-up of returns again.

11 A. They seemed to be quite regular  
12 here, my lord.

13 Q. The next gap occurs in 1957.  
14 February the 25th, 1957, the returns for 1954,  
15 1955 and 1956 were filed.

16 A. 1954 to 1956 inclusive. That  
17 was our letter of '57.

18 Q. Now, those returns, again, set  
19 out the names of Barrette, Bergeron, Potrin,  
20 Diamond, Choquette and Holmes. Isn't that  
21 correct?

22 A. Yes. They set out -- The  
23 1956 is Choquette, Potrin, Holmes, Bergeron,  
24 Herken.

25 Q. The majority, if not all, of  
26 those in 1954 indicated they were not directors.  
27 Is that not correct?

28 A. Barrette had mentioned; Potrin's  
29 letter had been returned unclaimed; and Bergeron.  
30



in the latter immediately following



1 Q. We went through them all?

2 A. Yes.

3 Q. Then, Samuel Diamend, again, in  
4 1957, with some emphasis this time, said,  
5 "I have nothing to do with the club in question";  
6 isn't that correct?

7 A. What is the date of that letter?

8  
9  
10  
11 (Page 13055 follows)  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30



Q. We went through that city.

A. Yes.

Q. Then, Samuel Diamond, again, in

1934, was not against him, was he?

"I have nothing to do with the club in question";

isn't that correct?

A. That is the date of that letter.

(The witness said:)





E/RC/1

MR. ESTEY: Q. That letter is April 17th, 1957; his earlier letter was August 15th, 1954?

A. Yes, this is a letter from S. Diamond, April 15th, 1957.

"If my name still appears in their records it must be by error, because they have been well advised in August, 1954, that I have nothing to do with the club in question."

Q. What I am getting at here, Mr. Cudney, is this returns the last letter on March 10th, 1958, which is four years after those letters came to the Department; and we find somebody certifying ---

A. March 10th, 1958?

Q. Yes, March 10th, 1958.

A. Well, the last return, Mr. Estey, I have, is March 7th, for this club.

Q. Well, there is a date stamp on the return?

A. I see, yes, March 10th, 1958, yes, that is right.

Q. Now, the return -- let's take the one that is date stamped with the date for the 31st March, 1955, or 1956, they are identical. Do you see that?

A. 31st March, 1955. Yes, that is the same date stamp.



100-100000

Q. Now, this is a letter from  
 A. Yes, this is a letter from  
 B. Darnell, April 1951, 1951.  
 "In my home office appears to  
 have been in the office of  
 the office of the office of the  
 in August, 1951, when I have  
 "Nothing to do with the club in  
 "Nothing."  
 Q. What I am getting at here, Mr.  
 Darnell, is this letter the last letter on  
 March 1951, 1951, which is four years after  
 these letters came to the Department; and  
 we find somebody certifying ---  
 A. Yes, that is right.  
 Q. Yes, that is right.  
 A. Well, the last letter, Mr. Darnell,  
 I have, in March 1951, for this club.  
 Q. Well, there is a date stamp on  
 the letter.  
 A. I see, yes, March 1951, 1951.  
 Yes, that is right.  
 Q. Now, the letter -- let's have one  
 one time in case connected with the case for  
 the case March, 1951, or 1951, they are  
 identical. Do you see that?  
 A. Yes, March, 1951. Yes, that is  
 the last letter.



1 Q. Now then, Mr. Earl Harrigan,  
2 on February 26th, 1958, certified that our  
3 old friends, Bergeron, Barrett, Choquette,  
4 and so on, were elected directors of the  
5 club. Now, what do you say about that  
6 in the light of the correspondence we have  
7 been reading on this back-dated return?

8 A. In 1957?

9 Q. Yes, in 1957, the date-stamp  
10 is March 10th, 1958?

11 A. '58, yes -- no, there appears  
12 to have been no enquiries made, Mr. Estey.

13 Q. That affidavit was at least  
14 prima facie wrong, I suggest?

15 A. Yes, the affidavit of Roger  
16 Mongeon.

17 Q. Well, now, this has been an  
18 Ottawa club up to now, I think you said at  
19 the outset; your file indicates Ottawa  
20 addresses?

21 A. Yes.

22 Q. And, there is an Ottawa lawyer  
23 corresponding there. And, then, I notice  
24 on January 16th, 1959, there is a letter  
25 from you to the club addressed to 1289 Bloor  
26 Street West, Toronto -- January 16th, 1959?

27 A. Yes, I have that, Mr. Estey.

28 Q. Can you tell us first of all how  
29 you came to address that to a Toronto address,  
30





Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].  
Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].

Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].  
Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].

Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].  
Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].

Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].  
Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].  
Q. And you tell us that of the...  
A. Yes, I have that, Mr. [Name].

Q. Now, you say that the...  
A. Yes, I have that, Mr. [Name].



1 the annual return for the last period for that  
2 shows an Ottawa address. There doesn't seem  
3 to be anything in the file to show how that  
4 came up.

5 A. I can't recall that, Mr. Estey.  
6 I think the only way that I would know would  
7 likely be through a police call or a police  
8 interview at the office.

9 Q. Yes. The next police report  
10 on your file is the next April, 1959, but  
11 you say you think it would likely be given  
12 to you by telephone?

13 A. Yes, that is likely what would  
14 happen, the police will be in the office  
15 and they will mention a club and I will  
16 look up the address, and the name might not  
17 come into the actual file for a little  
18 while.

19 Q. Now, the next file is January,  
20 1959, where your Department addressed a  
21 letter to one of the people named as being  
22 a director, Mr. Couzeneau, he is shown as  
23 a director from as far back as 1957?

24 A. Yes, that was a form letter  
25 for arrears of returns.

26 Q. Yes, Mr. Couzeneau sends it  
27 back with a rather cryptic letter:

28 "Wrong name; wrong address; wrong  
29

30 "Province. It is all Greek to me."



the annual report for the last period for this  
 known as Oswald's report. There is no  
 to be any delay in the time to know how  
 card no.

A. I think the only way that I could know would  
 likely be through a police call or a police  
 interview at the office.

Q. Now, the next time you  
 on your file in the next April, 1963, has  
 you say that it would likely be given  
 to you by telephone?

A. Yes, that is likely what would  
 happen, the police will be in the office  
 and they will mention a case and I will  
 look up the address, and the name of the  
 come into the office like for a minute.

Q. Now, the next time in January,  
 1963, when you were in the office  
 letter to one of the people named as being  
 a director, Mr. Gonzalez, he is known as  
 a director from the time he was?

A. Yes, that was a long letter  
 for a long time.  
 Q. Now, the next time in January,  
 1963, when you were in the office  
 "Proving. It is all right to me."





1 He is one of the persons who was a director,  
2 was he not?

3 A. Yes.

4 Q. And, things then began to happen  
5 rather quickly in Toronto. We find the  
6 people at this end had moved rather quickly.  
7 And, then, we come to March 5th, 1959, a  
8 letter from you to Louis Herman. That  
9 is the first mention of him on your file  
10 up to that time, although we have had a  
11 series of Ottawa lawyers. Is there anything  
12 to indicate on the file who was acting for  
13 the Ottawa club?

14 A. No, there is not.

15 Q. Then we come to ---

16 A. I understand that he is solicitor,  
17 and they have not produced the books, and I  
18 wished the books to be produced.

19 Q. Yes, and just to round that out,  
20 Mr. Cudney, you followed through on that,  
21 and you told them on the 2nd of April that  
22 the club, not having produced the books,  
23 you were going to cancel the charter -- the  
24 2nd of April, 1959?

25 A. Yes, that is right, April 2nd,  
26 1959.

27 Q. And, then, you didn't -- just  
28 to get the whole story, you didn't follow  
29 through on that for the very good reason  
30



Q. Now, you say that you saw the book in the library?

A. Yes.

Q. And, didn't you begin to borrow it?

A. Yes, I did. I began to borrow it.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?

A. Yes, I did. I saw it in the library.

Q. And, you say that you saw the book in the library?



1 that somebody sent in some photostats and one  
2 thing and another before the actual order  
3 went out, and then on April 2nd, you received  
4 a police report, and I wonder if you would  
5 place that before the Commissioner?

6 A. Yes, I have that.

7 Q. It is a report following Chief  
8 Mackey's report, and re cancellation?

9 A. Yes.

10 Q. This report is shorter than ---

11 A. Yes, may I . . .

12 THE COMMISSIONER: Q. You may read it.

13 A. . . . read it? Yes: April 3rd,  
14 1959, Inspector Walker to Chief Mackey:

15 "Re: Union Jack (Toronto) Social Club

16 "1601 Dundas Street, West, and

17 "Greek Canadian Social Club,

18 "Address Unknown.

19 "On Saturday, March 7th, 1959,  
20 "Officers from the Morality Division  
21 "conducted an investigation at the  
22 "premises known as the Union Jack  
23 "(Toronto) Social Club, 1601 Dundas  
24 "Street, West. As a result of this  
25 "investigation, William DUDDY, 120B  
26 "Sheridan Avenue (Club Steward) and  
27 "Jack Jarvis, 70 Lloydmanor Road,  
28 "(Secretary-Treasurer) were charged  
29 "jointly with Keeping a Common Gaming  
30





there somebody sent in some photographs and one  
 and the other went out, and then on April 2nd, you received  
 a police report, and I wonder if you would  
 please take a look at the report.  
 It is a report following Chief  
 Agency's report, and he cancelled.  
 This report is shorter than  
 The Commission: N. Lee says it is  
 A. . . . . read for Year: April 2nd,  
 1952, Inspector Walker to Chief Moxley:  
 "On Thursday, March 2nd, 1952,  
 officers from the Security Division  
 conducted an investigation at the  
 premises known as the Union Hotel  
 ("Toronto) Social Club, 1201 Dundas  
 Street, West. As a result of this  
 investigation, William Henry, 1905  
 "Sheridan Avenue (Old Stewards) and  
 "Jack Jarvis, 70 Fitzgerald Road,  
 ("Toronto) were identified as  
 persons who had been in contact with  
 the subject of this investigation.



1 "House. This case has not as yet been  
2 "disposed of by the Courts. At that  
3 "time, William Duddy informed the  
4 "Officers that one James Stavro was  
5 "President of the club and produced  
6 "club membership cards signed 'J. Stavro  
7 "for President'. When questioned  
8 "about the telephone numbers of the  
9 "club officers, he stated 'they  
10 "should be here' but was unable to  
11 "locate them. James Stavro, 24  
12 "Duncairn Drive, part owner of the  
13 "Westwood Restaurant, 3741 Bloor  
14 "Street, West, was contacted by  
15 "telephone from the club and advised  
16 "of the investigation and requested  
17 "to come to the premises. At this  
18 "time, Mr. Stavro stated 'I received  
19 "a telephone call some time ago from  
20 "an unknown person who told me that  
21 "I had been elected President of  
22 "something. I thought it was a joke,  
23 "hung up the telephone and did not  
24 "think any more about it'. Upon  
25 "arrival at the club, Mr. Stavro was  
26 "shown the membership cards bearing  
27 "the signature 'J. Stavro' after  
28 "which he stated 'that is not my sig-  
29 "nature. I know nothing about this  
30







1 "place and have never been here before  
2 "and am not in any way connected  
3 "with it'.

4 "At the time of this investigation,  
5 "a search of the premises was conducted  
6 "and amongst other items seized were  
7 "two bills; one a Hydro-Electric bill  
8 "dated February 11th, 1959 and the  
9 "other a Bell Telephone bill for  
10 "telephone LEnnox 7-3153 dated  
11 "February 13th, 1959. Both of these  
12 "bills were made out to the Greek  
13 "Canadian Social Club, 1601 Dundas  
14 "Street, West, and were found under  
15 "the counter in the clubroom along  
16 "with the records of the Union Jack  
17 "(Toronto) Social Club. Telephone  
18 "LEnnox 7-3153 is on the premises  
19 "and the records of the Bell  
20 "Telephone Company reveal that  
21 "application for telephone service  
22 "was made on January 16, 1959, by  
23 "the Greek Canadian Social Club -  
24 "James Stavro, President, and Paul  
25 "Rotterman, a club member. Application  
26 "for Hydro Electric service was  
27 "also made by Rotterman in the month  
28 "of January, 1959.

29 "Jack Jarvis, when asked to  
30



"The first of these was the  
fact that the  
...

"As the value of this investment,

"a number of the premises was contacted

"and the results were as follows:

"two bills; one a Hydro-Electric bill

"dated February 1931, 1932 and the

"other a bill for the same year

"dated March 1931, 1932

"The first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other

"and the results were as follows:

"the first of these bills was for

"the same amount as the other



1 "explain the presence of these bills

2 "(of) the Union Jack . . . " ---

3 MR. ESTEY: Q. " . . . on the Union Jack . . . "

4 A. I'm sorry:

5 " . . . on the Union Jack (Toronto)

6 "Social Club premises, informed the

7 "Officers that, although he was

8 "Secretary-Treasurer of the club,

9 "he did not handle any of the

10 "correspondence or financial affairs.

11 "He further stated that he had agreed

12 "to a proposal made by Duddy and

13 "Rotterman to act in this capacity

14 "on the understanding that the position

15 "would be honorary and had been told

16 "by them to 'consider yourself voted in'.

17 "William Duddy stated that the

18 "Union Jack (Toronto) Social Club

19 "had been located at 1601 Dundas

20 "Street, West, for approximately six

21 "weeks and that he had no knowledge

22 "of any other club at this address." ---

23 Q. Just a minute ---

24 A. "As a result of information

25 "received that the Greek Canadian

26 "Social Club was located on the upper

27 "floor of 1289 Bloor Street, West,

28 "Officers from this Division made

29 "investigations at that address.

E/2





... ..

"(or) the Union Jack . . ."

... .. on the Union Jack . . .

... ..

... ..

... ..

... ..

... ..

... ..

... ..

... ..

"to a proposal made by Buggy and

"Hocotman to act in this capacity

... ..

"would be honorary and had been said

... ..

"Alan Buggy stated that the

... ..

... ..

"Buggy, Went, for approximately six

"years and that he had no knowledge

"of any other crew at this station." ---

... ..

... ..

"received from the Greek Canadian

"Bosnia Club was located on the river

... ..

... ..

"Investigation at that station.



1 "One Edward FITZGERALD who lives in the  
2 "rear portion of the building stated  
3 "that no club is located at this  
4 "address and that he had no knowledge  
5 "of any club bearing that name. He  
6 "further stated that some time ago  
7 "he was employed as a Steward by  
8 "the Montcalm Social Club at 1289  
9 "Bloor Street, West. Investigations  
10 "reveal that the Montcalm Social Club  
11 "Charter is cancelled.

12 "William Duddy, Jack Jartis  
13 "and Edward Fitzgerald each referred  
14 "the Officers to Mr. Louis Herman,  
15 "Solicitor, for further information  
16 "and the books pertaining to the  
17 "operation of both clubs. Mr. Herman,  
18 "when interviewed, stated that they  
19 "were not in his possession.

20 "From investigations, the Greek  
21 "Canadian Social Club charter is being  
22 "fraudulently controlled by the  
23 "operators of the Union Jack (Toronto)  
24 "Social Club. No books or records  
25 "pertaining to the operation of either  
26 "of these clubs has been produced and  
27 "no explanation has been made for the  
28 "presence of the aforementioned  
29 "Telephone and Hydro bills found on  
30







1 "the premises at 1601 Dundas Street, West.

2 "The present location of the Greek

3 "Canadian Social Club is unknown.

4 "It is obvious that this charter

5 "is being used to protect illegal

6 "gambling activities. I therefore

7 "recommend that representation be made

8 "to the Provincial Secretary's

9 "Department, that the Greek Canadian

10 "Social Club charter be cancelled.

11 "A further report will be

12 "submitted when the charges pending

13 "against the Union Jack (Toronto)

14 "Social Club are disposed of by the

15 "Courts."

16 And it is signed "E.R. Walker".

17 Q. You then sent that report to Dr.  
18 Phillips, the then Provincial Secretary?

19 A. Yes.

20 Q. By memorandum dated 3rd April,  
21 1959?

22 A. That is right.

23 Q. And just down about eight lines --  
24 I think you go through the history which we  
25 know, and then you say, "As the club had  
26 shown up . . . " ---

27 A. "As the club had shown up  
28 "suddenly in Toronto it appeared to  
29 "me that perhaps the charter had been  
30





1 "sold' and to this end I wrote to the  
2 "club in Toronto asking that they  
3 "attend at my office on a certain  
4 "date to produce all books including  
5 "the minute book and the members  
6 "registry. On the day set for the  
7 "hearing the club did not appear, but  
8 "the solicitor for the club, Mr.  
9 "Louis Herman, Q.C. of Toronto,  
10 "advised me subsequently that he  
11 "had intended to appear for the club,  
12 "but had forgotten about the date.  
13 "I advised Mr. Herman that these  
14 "books should be produced forthwith.  
15 "I have telephoned Mr. Herman on a  
16 "number of occasions, but the books  
17 "still had not been produced. I  
18 "wrote him the last time on March  
19 "20th advising that if the books  
20 "were not produced within one week  
21 "the letters patent would be  
22 "cancelled for cause. The books  
23 "still have not been produced. In  
24 "the meantime the Toronto Police  
25 "have been in constant communication  
26 "with me and asking what is being  
27 "done about the club and saying  
28 "that they strongly suspect that the  
29 "club in Toronto is being operated



[illegible]



1 "illegally as a common gaming house.  
2 "Following my telephone conversation  
3 "with you of this week I wrote the  
4 "club advising that the letters  
5 "patent were being cancelled. I am  
6 "attaching hereto an order cancelling  
7 "the letters patent. In view of the  
8 "police reports I strongly recommend  
9 "that the Charter be cancelled."

10 Q. What did the Minister do with your  
11 memo, or instruct you to do?

12 A. Well, at the end there I had had --  
13 this was confirming a conversation I had had,  
14 and apparently he instructed me to prepare  
15 the order. The order was prepared -- let's  
16 see when that was. Oh, that memo is on  
17 April 3rd. And, then, the report from the  
18 police was received April 7th. It is dated  
19 April 3rd, and the police report was referred  
20 by me to Mr. Margolian, the departmental  
21 solicitor, and he said, "It appears . . ." --  
22 his reply is:

23 "It appears from the report of  
24 "Inspector Walker that the above--  
25 "named club's charter should be  
26 "cancelled.

27 "However, since a substantial  
28 "part of the reasons for cancellation  
29 "in view of its connection with the  
30







1 "Union Jack (Toronto) Social Club, it  
2 "would appear advisable to withhold  
3 "any action on our part until the  
4 "prosecution against the Union Jack  
5 "is completed."

6 Q. Did you act on that recommendation  
7 from your assistant?

8 A. Yes, I discussed it with the  
9 Minister, and it was decided to hold up the  
10 cancellation until the case against the  
11 Greek-Canadian was disposed of.

12 THE COMMISSIONER: Q. The case against  
13 whom?

14 MR. ESTEY: The Union Jack.

15 THE WITNESS: The Union Jack.

16 In the meantime, I was pressing Mr. Herman  
17 for the books.

18 Q. Could you explain the connection  
19 between the Union Jack and this club?

20 A. We were going on the report of  
21 Mr. Walker. I believe he calls it here,  
22 "Occupying the same premises", and my thought  
23 was, actually, on that, that if the Charter  
24 were cancelled, the Greek-Canadian, the  
25 books would disappear, and if there was  
26 anything of any assistance to the case of  
27 the prosecution of the Union Jack, that is  
28 why it was held up.

29 Just looking at this, the file shows  
30

"Union Jack (Toronto) Social Club, at

"would appear advisable to withdraw

"any action on our part until the

is completed."

Q. Did you act on your recommendation

A. Yes, I discussed it with the

cancellation until the case against the

Green-Canadian was disposed of.

THE COMMISSIONER: Q. The case against

In the meantime, I was presenting Mr. Herman

for the books.

Q. Could you explain the connection

between the Union Jack and this club?

A. We were going on the report of

Mr. Kinnor. I believe he said at home,

"copying the same premises", and my thought

was, actually, on that, that the Ontario

were cancelled, the Green-Canadian, the

books would disappear, and if there was

anything of any assistance to the case of

the prosecution of the Union Jack, that is

why it was held up.

That looking at the case, and the books





1 there was a great many letters by me to Mr. Herman  
2 throughout those summer months.

3 Q. You took no action, and meantime,  
4 was the club operating? Evidently, the  
5 police were after you about this?

6 A. So far as I know it was, Mr.  
7 Estey. So far as I know, it was.

8 Q. And, what was the outcome of it?

9 A. Well, the Union Jack charter  
10 was cancelled; at least, they were convicted,  
11 I think it was in September, and the charter  
12 was cancelled not too long after that.

13 Q. December 29th I think it was  
14 cancelled; isn't that correct?

15 A. That is the Greek-Canadian, but  
16 the Union Jack -- well, then, I had mentioned  
17 to my Minister the cancellation of its  
18 charter, and I had written a number of  
19 ultimatums to Mr. Herman, and then action  
20 was taken, and the charter was cancelled  
21 in December.

22 Q. Was this ultimatum, as you call  
23 it, was it written on the 2nd of April, 1959,  
24 and you never did cancel the clubs, and  
25 then they were cancelled in the month of  
26 December?

27 A. That's right. There was a  
28 number of ultimatums over the next  
29 months.  
30





There was a great many people at the time.

...

...

...

...

A. So far as I know it was, yes.

Yes, so far as I know, it was.

Q. And, what was the object of the

...

was cancelled; as far as I know, they were cancelled.

I think it was in September, and the character

was cancelled not too long after that.

...

...

A. That is the question, but

the Union Jack -- well, then, I had mentioned

to my Minister the cancellation of the

character, and I had written a number of

statements to Mr. Bennett, and then I had

was taken, and the character was cancelled

in December.

Q. Was this statement, as you said

it, was it written on the 2nd of April, 1892,

and you never did cancel the character, and

then they were cancelled in the month of

December?

A. That's right. There was a

change of Minister over the matter.



E/3/RC

1 Q. Now, then, would you turn to  
2 Nottawa.

3 THE COMMISSIONER: What exhibit is it?

4 MR. WILSON: Beif 86, "J", 716-20, "K" 7.

5 MR. ESTEY: Q. This is the old charter,  
6 Mr. Cudney?

7 A. Yes.

8 Q. Incorporated 1919?

9 A. October, 1919, at Collingwood,  
10 Collingwood and vicinity, Township of Nottawasaga.

11 Q. I think this club sets the record,  
12 does it not, Mr. Cudney, for arrears of returns  
13 filed on file, January 23, 1959 -- You  
14 received returns from 1931 to 1958?

15 A. Yes, 1931 to 1958, that was in  
16 January 23, 1959.

17 THE COMMISSIONER: Q. The returns for  
18 what years?

19 A. 1931, my lord, to 1958.

20 MR. ESTEY: Q. For example, I see the  
21 1931 return was sworn to on January 2nd, 1959?

22 A. Yes, that's right.

23 Q. When was this charter -- was  
24 this charter then cancelled?

25 A. This was cancelled, yes, Mr. Estey.

26 Q. And the grounds?

27 A. Were for forfeiture of corporate  
28 powers.

29 Q. Cancelled, 1960?

30



WV-10

Q. Now, then, would you turn to

Notions,

THE COMMISSIONER: What would be the

MR. WILSON: Ball 82, "A", V12-20, "K" 7.

MR. WILSON: Q. This is the old chapter,

MR. WILSON:

A. Yes.

Q. What is the name of the

A. Chapter, Ball 82, V12-20, "K" 7.

Golfing and vicinity, Township of Notions.

Q. I think that also with the record,

does it not, Mr. Gadeny, the names of Notions

listed on Ball, January 22, 1920 -- Yes

Q. What is the name of the

A. Yes, 1921 to 1928, that was in

Q. What is the name of the

THE COMMISSIONER: Q. The return for

Q. Yes.

A. Yes, my lord, to 1928.

MR. WILSON: Q. Now, again, I see the

Q. Yes, my lord, to 1928.

A. Yes, my lord, to 1928.

Q. When was this chapter -- was

Q. Yes.

A. This was cancelled, yes, Mr. Wilson.

Q. And the grounds?

A. Were for forfeiture of corporate

Q. Yes.

Q. Yes.





1           A.       Cancelled 1960.       This is a club,  
2       there was a note about it in a Press article  
3       at the end of 1959 and I, shortly after, saw  
4       Chief Mackey in January, 1960, and we discussed  
5       the situation, and this was one of the clubs  
6       that was mentioned, and it appeared I was  
7       instructed previously in view of the fact  
8       these charters were -- or, before that, I asked  
9       the police officer to bring all those that  
10      were in arrears to my attention, those in  
11      arrears of annual returns, and they were dealt  
12      with en bloc, and where the directors changed.  
13      And, this was cancelled on the basis of  
14      forfeiture of corporate powers. I remember  
15      I asked the Chief to send a report on this  
16      club, and in the meantime I had asked the  
17      Provincial Police to go to Collingwood to  
18      make an investigation to find out if the  
19      corporate powers had been ---

20  
21           Q.       Did you consider interviewing  
22      the members personally for failure?

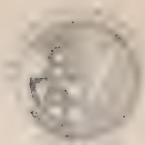
23           THE COMMISSIONER: For what?

24           MR. ESTEY: Q. For failure to file the  
25      returns.

26           A.       My lord, I think there was a  
27      cancellation ---

28           Q.       I was referring to the day you  
29      found filed that bundle of returns.

30           A.       Actually, what happened was we



A. Cancelled 1900. This is a clue,

there was a note about it in a French article  
 at the end of 1959 and I, shortly after, saw  
 Chief Macey in January, 1960, and we discussed  
 the situation, and that was the last time  
 that was mentioned, and it appeared I was  
 instructed previously in view of the fact  
 these changes were -- or, before that, I asked  
 the police officer to bring all these that  
 were in arrears to my attention, those in  
 arrears of annual returns, and they were dealt  
 with on bloc, and where the directors changed,  
 and, this was cancelled on the basis of  
 forfeiture of corporate powers. I remember  
 I asked the Chief to send a report on this  
 clue, and in the meantime I had asked the  
 Provincial Police to go to Cornwallwood to  
 make an investigation to find out if the  
 corporate powers had been ---

Q. Did you consider interviewing

the members personally for failure?

THE EXAMINER: Yes, sir.

MR. TOLIN: Q. For failure to file the

A. My lord, I think there was a

Q. I am referring to the day you

found that that bundle of returns.

A. Yes, my lord, I am referring to the





1 had cancelled the charter for failure to file  
2 annual returns, and, to do that, we send out  
3 notices to the directors of record by  
4 registered letter and by notices inserted in  
5 the Ontario Gazette, and the registered letters  
6 were sent to the directors October 8th, 1958  
7 and the notice in the Ontario Gazette would  
8 be -- I think it is around that time -- in  
9 any event, it was listed. There was a  
10 proposed cancellation of the Nottawa Club  
11 among a whole list of many others.

12  
13 Q. I asked you the question, did  
14 you consider --- All right, go ahead.

15 A. It was shortly after that that  
16 the returns came in.

17 Q. Some time in January you got the  
18 returns?

19 A. Yes.

20 Q. And, before you, there were clubs  
21 grossly in arrears and without share capital,  
22 and now I am asking you if you considered  
23 setting up as an example one of these clubs  
24 and making a salutary move in prosecuting  
25 those clubs for failure to file returns?

26 A. The practice, Mr. Estey, for  
27 arrears in filing annual returns is if the  
28 corporation has assets -- and I am speaking  
29 of share capital -- we ascertain from the  
30 Treasurer if they have assets, and if they have





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00 - I believe it is growing that there is in

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

• APODITO YHOM TO GALL OICIN B . 1968

222 , 1000000 and 1000000 1

• THE OTHER SIDE OF THE

and the other, "The Great Wall of China,"

6. And, before you, there were classes



1 we prosecute them for failure to file annual  
2 returns. If the corporation has no assets  
3 we proceed to cancel for failure to file  
4 annual returns.  
5

6 Q. Now, in due course --

7 A. This was, by the way, Mr. Estey,  
8 this was a file which, to use a departmental  
9 term, was a dormant file. This file was  
10 transferred many years ago; I believe it was  
11 never cancelled, but in those days we used  
12 to put it down in the dormant file and we  
13 didn't cancel. And, we were just going  
14 through the list, and we didn't pick out this  
15 one particularly, it was just that it was one  
16 that was there as we were going across the  
17 board.

18 Q. In any event, while you might have  
19 done other things, eventually you got a police  
20 report from Chief Mackey of January 19th, 1960?

21 A. Yes, that was following our  
22 interview.

23 Q. It would be about a year after  
24 the returns were filed. And his report  
25 includes the letter of January 6th, from  
26 Inspector Walker. Is that report a lengthy  
27 one? There is only one part of it of help  
28 to us.

29 THE COMMISSIONER: What is the date of  
30 Mackey's letter?



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1 MR. ESTEY: His letter, my lord, is  
2 dated the 14th January, 1960.

3 THE WITNESS: January 14th, 1960.

4 THE COMMISSIONER: Inspector Walker's  
5 report?

6 MR. ESTEY: Of January 6th, 1960. It is  
7 quite a lengthy report; it is about five pages.

8 THE COMMISSIONER: You might draw Mr.  
9 Gudney's attention to the part that you want.

10 MR. ESTEY: Yes. I have a copy here.

11 Q. Well, it is the very last  
12 paragraph, Mr. Gudney, and it commences,  
13 "The reputation . . ." -- and so on. Would  
14 you read that paragraph?

15 A. "The reputation and the  
16 "investigations conducted at this  
17 "club clearly indicate that the  
18 "Charter of the Nottawa Community  
19 "Club is being used to replace  
20 "the Union Jack (Toronto) Social  
21 "Club which was cancelled.

22 " In view of the above, it is  
23 "our considered opinion that this  
24 "is not a bona fide social club,  
25 "and strongly recommend that  
26 "representation be made to the  
27 "Provincial Secretary's Department  
28 "for cancellation."

29 Q. Now, to round out the picture so  
30



MR. BERRY: His letter, my lord, is

dated the 14th January, 1900.

THE CHAIRMAN: January, 1900.

THE CHAIRMAN: Inspector Walker's

MR. BERRY: Of January 2nd, 1900. It is

THE CHAIRMAN: You might give Mr.

Gudney's attention to the part that you want.

MR. BERRY: Yes. I have a copy here.

6. Well, it is the very last

paragraph, it is, and it is

"The reputation of the

you read that paragraph?

A. "The reputation and the

"The reputation and the

"The reputation and the

"Chapter of the Hobson Community

"Club as being used to replace

"The reputation and the

"Club which was cancelled.

"In view of the above, it is

"our considered opinion that this

"is not a bona fide social club,

"and strongly recommend that

"representation be made to the

"The reputation and the

"for cancellation."

6. Now, to round out the picture so





1 that we can see where we are going here, this  
2 is the sort of thing, the moving of the  
3 Nottawa Community Club down to Toronto to fill  
4 a hole after the cancellation of another club,  
5 I suppose, is more difficult now with regard  
6 to 291 of the Act?

7 A. Yes, this is one of the clubs  
8 that is responsible for that going into the  
9 Act, because I mentioned to Chief Mackey about  
10 the Nottawa being under the principles of this  
11 amendment, and this is one of the clubs where  
12 that amendment came about.

13 Q. Now, Mr. Gudney, I would like to  
14 deal with the Preston Amateur Athletic and  
15 Social Club of Ottawa.

16 THE COMMISSIONER: The Preston what?

17 MR. ESTEY: The Preston Amateur Athletic  
18 and Social Club of Ottawa, and that is mentioned  
19 at page 33 of the brief. Page 3 of Appendix  
20 "K". It is also mentioned in Appendix "J"  
21 at pages 9, 17 and 20.

22 Q. This is a '35 incorporation, I  
23 believe, Mr. Gudney?

24 A. Yes, October, 1935, incorporated  
25 with head office at Ottawa.

26 Q. And, it appears down through the  
27 years to be an Ottawa club. Now, this  
28 illustrates something else about these returns,  
29 Mr. Gudney; would you look at the annual return  
30





that we can see where we are going here, this

is the sort of thing, the moving of the

has been Community Club down to Toronto to tell

a note after the cancellation of another club,

I suppose, is more difficult now with regard

to 211 of the Act?

A. Yes, this is one of the things

that is responsible for that going into the

the House being under the principle of this

amendment, and this is one of the things where

the amendment was made.

Q. Now, Mr. Gahan, I would like to

deal with the Freedom of Information Act and

social club of Toronto.

the committee, and what was

the committee, and what was

and social club of Toronto, and what is mentioned

at page 22 of the bill. Page 2 of Appendix

"A". It is also mentioned in Appendix "B"

at pages 2, 17 and 20.

Q. This is a '95 investigation, I

believe, Mr. Gahan?

A. Yes, I believe so, Mr. Gahan.

with head office at Toronto.

Q. And, it appears down through the

years to be an Ottawa club. Now, this

is the same club that was mentioned in the

the committee, and what was

the committee, and what was



1 received for the year ending March 31st, 1936?

2 A. March 31st?

3 Q. 1936.

4 A. 1936, yes, here we are. Yes, I  
5 have it here.

6 Q. And, that was received by you  
7 in 1956?

8 A. Yes, that was received by me in  
9 1956.

10 Q. Twenty years later?

11 A. Yes.

12 Q. And this is the part I am  
13 interested in: It mentioned that the officers  
14 of the club are R.W. Dawson, 650 Somerset Street  
15 West, as President; L.M. Thompson, Secretary,  
16 and B.J. Randall, Treasurer?

17 A. Yes.

18 Q. And, then, I take it, that the  
19 Department has noted that if the Ontario  
20 Provincial Police report is taken as comparison --  
21 as a basis of additional information, rather --  
22 that you find that the Secretary, L.M. Thompson,  
23 would be five years of age in 1936, and the  
24 Treasurer, B.J. Randall would be five years  
25 old of age (sic)?

26 A. This is a report that I asked  
27 the Provincial Police to go to Ottawa to  
28 investigate it.

29 Q. Yes.

30

A. 1870-1871

1966, you, none we are, you, 1

And, that was received by you

1501 in

Yes, I have not received the letter.

THE UNIVERSITY OF CHICAGO

of the club are J. H. Dowson, the Honorable Arthur

STANDARD, LEBONER, G. A. Inc.

1. And, then, I take it, that the

Provincial Police report is taken as corroborating

RECEIVED

First you find the location, A.M. Thompson

would be five years or less in 1980, and the

9(911) 935 To me

the Provincial Police to be returned to

• 51 955 103-975

299





1 THE COMMISSIONER: The 1936 return  
2 showed who as the officers?

3 MR. ESTEY: It shows R.W. Dawson as  
4 President; L.M. Thompson, T-h-o-m-p-s-o-n, as  
5 Secretary and B.J. Randall, R-a-n-d-a-l-l,  
6 as Treasurer.

7  
8 And the Provincial Police, in December,  
9 1960, interviewed Thompson and Randall and  
10 reported their ages at the time they were  
11 elected as five and four.

12 THE WITNESS: I think there is a mention --  
13 are they not the children of ---

14 MR. ESTEY: I think they are the children  
15 of Dawson.

16 A. That's right, yes.

17 Q. In any case, the usual cir-  
18 cumstance seems to be ---

19 THE COMMISSIONER: Well, the children  
20 of Dawson, are they males?

21 MR. ESTEY: They are female, my lord.

22 The Provincial Police report is dated  
23 September 24th, 1960, and it says in part:  
24 The returns filed were false in listing  
25 these as directors in 1936 and onwards as  
26 in 1936 Mrs. L.M. Thompson was then Lila  
27 May Dawson, age 5, and Mrs. B.J. Randall  
28 was then Betty Jean Dawson, age 4 years.

29 Now, that is the usual condition of  
30 forfeiture, isn't it, Mr. Cudney?



And the Provincial Police, in December,

Reported their case at the time they were

Entered as Second-Class Matter, June 26, 1901.

• 100, 000, 000 •

0. All the above, 1933-1934



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A. Yes.

Q. And we move further into your files -- When did this club turn up in Toronto in your file?

A. We continue it in 1958, judging by the directors and the head office, they are still in Ottawa.

(Page 13078 follows)





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A. Yes.

A. And we were married in 1902.

Q. When did this ship turn up in

Germany in 1902?

A. We arrived in Berlin, Germany.

Q. Did you arrive in Berlin, Germany, in 1902?

A. Yes, in 1902.

(The court reads the letter.)



E/5

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MR. ESTEY: Q. I see in 1956 ---

A. 1956?

Q. 1956, that you were dealing with Mr. Dawson, and that clearly was in Ottawa at that time?

A. Yes.

Q. And, in 1957 and '8 the returns continue to show him as president?

A. In 1958, R.W. Dawson was the president.

Q. Yes.

A. But, then, in 1959 some Toronto names come into it. The directors all live in Toronto -- I am sorry, it changes in 1959 -- yes, the Ottawa names are the people who appear.

Q. It says the officers changed on the 2nd of January, 1959?

A. Yes.

Q. It would appear to be a reasonable guess that that club was sold in 1958, would it not?

A. It would seem so, yes.

Q. And, then, I should like to ask you this: This charter was ultimately cancelled in December, 1961, was it not, and the grounds?

A. In December, 1961, and the grounds, I think the grounds, were forfeiture of



MR. WATSON: Q. I see in 1950 ---

A. Yes.  
Q. 1950, that you were dealing with

Mr. Dawson, and that was in 1950?  
A. That's right.

A. Yes.  
Q. And, in 1951 and in the return

continue to show him as president?  
A. In 1951, H.W. Dawson was the

president.  
Q. Yes.

A. But, then, in 1952 some Toronto  
lawyer come into it. The directors all

live in Toronto -- I am sorry, it changed  
in 1953 -- yes, the Ottawa names and the

people who appear.  
Q. It says the officers changed on

the end of January, 1953?  
A. Yes.

Q. It would appear to be a reasonable  
guess that that club was held in 1953, would

it not?  
A. It would seem so, yes.

Q. And, then, I should like to ask  
you this: This charter was ultimately

cancelled in December, 1951, was it not,  
and the Grouse?

A. In December, 1951, and the Grouse.  
I think the Grouse, were cancelled on





1 corporate powers. I will just check that.

2 Q. Yes, I think that is right. I  
3 see in the file in that connection a  
4 memorandum by Mr. Margolian to the Provincial  
5 Police of the 2nd of September, 1960, asking  
6 for an investigation of the -- of all the  
7 accounts and the grounds for forfeiture  
8 under the old Act.

9 A. The 2nd of September of . . . ?

10 Q. The 2nd of September of 1960?

11 A. Yes. The Toronto Police had  
12 mentioned before, they had mentioned this  
13 club to me before they wrote, some time  
14 before they wrote.

15 Q. I take it that mention came to  
16 you about the month of September, 1960,  
17 your file seems to start without any record?

18 A. Yes, that's right, they  
19 mentioned it to me in the office when they  
20 were there in another matter; they were  
21 there on another matter, and they mentioned  
22 about the President to me.

23 THE COMMISSIONER: Well, the grounds  
24 are here cancelled for forfeiture of corporate  
25 powers and illegal gaming.

26 THE WITNESS: Yes, my lord, I am just  
27 trying to find my letter here.

28 MR. ESTEY: Q. There is a report, Mr.  
29 Cudney, of 17th of October, 1960, from  
30



Q. Yes, I think that is right.

see in English in that connection a memorandum by Mr. Angolan to the Provincial Police of the end of September, 1960, asking for an investigation of the -- of all the accounts and the grounds for forfeiture under the old Act.

A. The end of September of . . . ?  
Q. The end of September of 1960?  
A. Yes, the end of September of 1960.

mentioned before, they had mentioned this club to me before they wrote, some time before they wrote.

Q. I take it that mention came to you about the month of September, 1960, your file seems to start without any record?

A. Yes, that's right, they mentioned it to me in the office when they were on another matter, and they mentioned about the forfeiture.

THE WITNESS: That is correct. They have cancelled the forfeiture of companies.

THE WITNESS: Yes, my lord, I am just trying to find my letter here.

Q. Yes, of 15th of October, 1960, from





1 Inspector Walker to Chief Mackey in which he  
2 says, "Frequented by a number of known and  
3 convicted professional gamblers".

4 MR. WILSON: We haven't had the name  
5 of the lawyer who was trying to support this  
6 club as yet. Let's name him.

7 MR. ESTEY: I think it is unfair of my  
8 friend, in view of the way the other clubs  
9 have been developed by my friend.

10 MR. WILSON: I have been showing unusual  
11 restraint, I thought, Mr. Commissioner, in view  
12 of the number of these other clubs which were  
13 mentioned by my friend without names.

14 MR. ESTEY: I will be very happy to give  
15 you the names when you want them, Mr. Wilson.  
16 Joseph M. Gould, G-o-u-l-d.

17 When you want the names, Mr. Wilson, just  
18 let them know.

19 MR. WILSON: Probably your firm will be  
20 there too.

21 MR. ESTEY: I think our firm are on  
22 three of them. There are no backlogs.

23 Q. Well, the name of the man that  
24 represented the club in Toronto -- which,  
25 I presume, is the reason for the outburst --  
26 is clearly on this file, "Joseph M. Gould".  
27 He first comes into the file on the 22nd  
28 of February, 1960.

29 Now, there are other records involved  
30





Inspector Warner to Chief Justice in which he

says, "Specimens by a number of known and

unknown persons."

Mr. Wilson: I think it is unlikely of my

friend, in view of the way the other clubs

club as yet. Let's name him.

Mr. Wilson: I think it is unlikely of my

friend, in view of the way the other clubs

have been treated in the past.

Mr. Wilson: I think it is unlikely of my

friend, in view of the way the other clubs

of the number of these other clubs which were

mentioned by my friend at these names.

Mr. Wilson: I will be very happy to give

you the names when you want them, Mr. Wilson.

When you want them, Mr. Wilson, just

say the word.

Mr. Wilson: I think it is unlikely of my

friend, in view of the way the other clubs

of the number of these other clubs which were

mentioned by my friend at these names.

Mr. Wilson: I will be very happy to give

you the names when you want them, Mr. Wilson.

When you want them, Mr. Wilson, just

say the word.

Mr. Wilson: I think it is unlikely of my

friend, in view of the way the other clubs

of the number of these other clubs which were

mentioned by my friend at these names.

Mr. Wilson: I will be very happy to give



1 in the file. I cannot for the life of me see  
2 how they are relevant. There is an Ottawa  
3 firm -- I haven't noted it -- and, Mr. Ebbs.  
4 And, there is a Mr. Ebbs. I don't know  
5 whether the Provincial Secretary at that time  
6 was a lawyer, or not, but he is mentioned  
7 as conversing with Mr. Dawson, and I think  
8 those are all the lawyers other than Mr.  
9 Cudney that are mentioned in the file.

10 If Mr. Wilson would indicate to me when  
11 he wants the lawyers identified, I will be  
12 glad to tell him, but I do not propose  
13 to go through all of ---

14 THE COMMISSIONER: They are all  
15 identified in Appendix K anyhow.

16 MR. ESTEY: Q. Where were we, Mr. Cudney?

17 A. You were on the report of  
18 Inspector Walker of October of 1960.

19 Q. That is the memo that gave rise  
20 to your cancelling of this club, was it not?

21 A. My letter cancelling it on  
22 the basis of forfeiture of corporate powers.  
23 There was a letter re illegal gaming, but  
24 the cancellation, I would say, was on the  
25 basis of forfeiture of corporate powers.

26 Q. I think perhaps it might be  
27 well to preserve the chronology of this  
28 development: The first report you have is  
29 September 24th, 1960, from Corporal McBride,  
30

7/E

HOW TO GET THE MOST FROM THIS BOOK

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And, there is a lot more.

There is a legend, or story, that the first person to be executed by the guillotine was a Frenchman named Louis XVI, who was executed on 21 January 1793 during the French Revolution. The guillotine was a machine used for execution by beheading, and it was named after the French word for 'to cut' or 'to slice'.

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WON THE A DISTINGUISHED IN BOILING





1 of the Ontario Provincial Police, is that right?

2 A. September 24th.

3 Q. I have read part of that, I think,  
4 although it would be helpful if you would  
5 read to the Commissioner ---

6 A. Yes, the report of September 24th  
7 from Constable -- Corporal J.S. McBride:

8 "With reference to the above  
9 "noted subject and further to a  
10 "memorandum of September 9th, 1960 . . . " ---

11 Q. I am wondering if it would not  
12 shorten proceedings if you started in with  
13 the actual investigation at paragraph 3.

14 A. "3. From investigation it  
15 "was learned that Mr. R.M. Dawson died  
16 "last March. The other two officers  
17 "are Mrs. Lila May Thompson and Mrs.  
18 "Betty Jean Randall, both daughters  
19 "of the deceased Dawson, and both  
20 "presently residing at 1155  
21 "Minnetonka St., Ottawa.

22 "4. On September 15th, 1960, the  
23 "writer, in company with Prov. Const.  
24 "H. Beer, of this Detachment, inter-  
25 "viewed both Mrs. Thompson and Mrs.  
26 "Randall at their residence in  
27 "Ottawa, and from them the following  
28 "facts were learned;

29 "a) That the Club was inoperative,  
30



of the Ontario Provincial Police, is that right?

A. September 24th, 1960.

Q. I have read part of that, I think.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.

Q. Yes, the report of September 24th.

A. Yes, the report of September 24th.



1 "in that it held no meetings, from the  
2 "year 1938 to 1958, when the Charter  
3 "was sold. The Club held no property,  
4 "paid no rent, nor did it have a bank  
5 "account for this period.

6 "b) That the returns filed in 1956,  
7 "for the years 1938 to 1956, were  
8 "incorrect or false, in that they  
9 "stated annual meetings were held  
10 "each year, and that social activities  
11 "were carried on, when ineffect nothing  
12 "was done.

13 "c) That the returns filed in (b)  
14 "were also incorrect or false in  
15 "listing them as directors in 1936  
16 "and subsequent years, as in 1936  
17 "Mrs. L.M. Thompson was then Lila May  
18 "Dawson, age 5, and Mrs. B.J. Randall  
19 "was then Betty Jean Dawson, age 4.  
20 "Mrs. Thompson was married in 1952  
21 "to a Mr. Donald Thompson, since  
22 "deceased, and Mrs. Randall was  
23 "married in 1953 to Mr. Albert George  
24 "Randall.

25 "d) That the Charter was sold in  
26 "1958 to an unknown person, by the  
27 "now deceased R.M. Dawson, and that  
28 "they did not know the amount of  
29 "money involved, nor did they realize  
30





"In fact it held no meetings, from 1930  
 "was held. The firm held no property,  
 "had no bank, nor did it have a bank  
 "account for this period.

"b) That the returns filed in 1930,  
 "for the years 1928 to 1930, were  
 "incorrect or false, in that they  
 "showed assets and liabilities  
 "which were, and that certain liabilities  
 "were carried on, when in fact none  
 "were.

"c) That the returns filed in (b)  
 "were also incorrect or false in  
 "listing them as directors in 1930  
 "and subsequent years, as in 1930  
 "the directors were Mr. J. J. [Name]  
 "and Mrs. A. J. [Name], and Mrs. A. J. [Name].

"That [Name] was married in 1930  
 "to a Mr. [Name], since  
 "separated, and Mrs. [Name] was  
 "married in 1930 to Mr. Albert [Name].

"That [Name] was married in 1930  
 "to an unknown person, by the  
 "name of [Name], and that  
 "they did not know the amount of  
 "money involved, nor did they realize



1 "any amount of money from this trans-  
2 "action.

3 "e) That neither Mrs. Thompson nor  
4 "Mrs. Randall received any remuneration  
5 "from the Club for any services  
6 "rendered, and that all Club business  
7 "had been done by their father, they,  
8 "in fact, being only 'figureheads' in  
9 "the Club.

10 "f) That they have no knowledge of  
11 "any previous members of the Club.

12 "5. When the writer asked them to  
13 "repeat this information in the form  
14 "of a written or sworn statement, they  
15 "refused, apparently in fear of  
16 "criminal or civil liability. They  
17 "did state, however, that they would  
18 "seek legal advice, and would advise  
19 "the writer, if they then wished to  
20 "make a statement.

21 "6. On September 23rd, 1960, Mr.  
22 "Glen Rowe, Q.C., Solicitor, of  
23 "465 Gilmour St., Ottawa, contacted  
24 "the writer, and advised that under  
25 "the present circumstances of this  
26 "matter, that neither of his clients,  
27 "Mrs. Thompson or Mrs. Randall, were  
28 "prepared to make any further  
29 "statement regarding the operation  
30



"The witness is not a member of the  
"Society."

"(c) That neither Mrs. Thompson nor  
"Mr. Thompson is a member of the Society."

"The witness is not a member of the  
"Society, and Mrs. Thompson is not a member."

"had been done by their father, they  
"in fact, were only 'fingering' in

"the same."  
"1) That they have no knowledge of

"any previous members of the Club."  
"2) When the writer asked them to

"repeat this information in the form  
"of a written or sworn statement, they

"refused, apparently on account of  
"criminal or civil liability. They

"did state, however, that they would  
"seek legal advice, and would advise

"the writer, if they then wished to  
"make a statement."

"On September 23rd, 1900, Mr.  
"Olen Howe, U.S. Solicitor, of

"405 Atlantic St., Boston, contacted  
"the writer, and advised that under

"the present circumstances of this  
"matter, that neither of his clients,

"Mrs. Thompson or Mrs. Randall, were  
"prepared to make any further

"statement regarding the operation





1 "of the Preston Amateur Athletic and  
2 "Social Club of Ottawa. He did  
3 "however, state, that in the interest,  
4 "and on behalf of his clients, it  
5 "was his intention to contact the  
6 "Office of the Deputy Provincial  
7 "Secretary, direct.

8 "7. In view of the foregoing facts,  
9 "may this file be considered closed.

10 "8. Correspondence returned herewith,  
11 "as directed."

12 And it is signed, "J.S. McBride".

13 Q. And, then, we have the police  
14 report which came in the following month,  
15 September 16th.

16 A. Yes. This police report was  
17 Provincial Police; we had asked them to go  
18 to Ottawa when the City Police had mentioned  
19 it.

20 Q. Then, I see in October 17th  
21 you had the Metro report which dealt with it,  
22 at least, with part of it, and that is quite  
23 long, isn't it, Mr. Gudney?

24 A. Yes, the Metro report, yes.  
25 It is October 17th, 1960. Is that the one?

26 Q. Yes, that is it.

27 A. It is two and a half pages.

28 Q. All right, let's not read that one.  
29 I notice two things of interest in it: One is  
30

E/8



Q. Now, what was the date of the first report?

A. The first report was dated October 11, 1950.

Q. And the second report was dated October 12, 1950?

A. Yes, the second report was dated October 12, 1950.

Q. And the third report was dated October 13, 1950?

A. Yes, the third report was dated October 13, 1950.

Q. And the fourth report was dated October 14, 1950?

A. Yes, the fourth report was dated October 14, 1950.

Q. And the fifth report was dated October 15, 1950?

A. Yes, the fifth report was dated October 15, 1950.

Q. And the sixth report was dated October 16, 1950?

A. Yes, the sixth report was dated October 16, 1950.

Q. And the seventh report was dated October 17, 1950?

A. Yes, the seventh report was dated October 17, 1950.

Q. And the eighth report was dated October 18, 1950?

A. Yes, the eighth report was dated October 18, 1950.

Q. And the ninth report was dated October 19, 1950?

A. Yes, the ninth report was dated October 19, 1950.

Q. And the tenth report was dated October 20, 1950?

A. Yes, the tenth report was dated October 20, 1950.

Q. And the eleventh report was dated October 21, 1950?

A. Yes, the eleventh report was dated October 21, 1950.

Q. And the twelfth report was dated October 22, 1950?

A. Yes, the twelfth report was dated October 22, 1950.

Q. And the thirteenth report was dated October 23, 1950?

A. Yes, the thirteenth report was dated October 23, 1950.

Q. And the fourteenth report was dated October 24, 1950?

A. Yes, the fourteenth report was dated October 24, 1950.

Q. And the fifteenth report was dated October 25, 1950?

A. Yes, the fifteenth report was dated October 25, 1950.





1 the quotation I gave you before, that the place  
2 was frequented by known professional gamblers.  
3 And, about midway in that report it mentions  
4 that this club was used to take over the  
5 control and the management of the club, of  
6 the Orillia Athletic and Social Club which  
7 had a Dominion Charter. Do you see that?

8 A. Yes, I will just read that:

9 "The Charter of the Orillia  
10 "Athletic and Social Club Limited  
11 "was to be taken from this club and  
12 "the club was to be disbanded."

13 I think I should just read a little before that ---

14 THE COMMISSIONER: Q. The Orillia what?

15 A. Orillia Athletic and Social  
16 Club.

17 MR. ESTEY: Q. You acted on that report  
18 which you received in October. I see -- I  
19 don't see any action taken in that file  
20 until the following spring in May when you  
21 fixed the date for hearing; is that true?

22 A. The City Police report is  
23 Chief Mackey's letter of October 19th, '60.

24 Yes, this was a group that I picked  
25 up on my return in the spring.

26 Q. Well, then, without going into  
27 the details of that, you held a hearing at  
28 which the police were present and then you  
29 cancelled the charter in the usual way on the  
30





was presented by known professional gamblers.

And, about midway in that report it mentions

that this was the case in that case.

control and the management of the club, of

the Olympic Athletic and Social Club which

had a Boston Chapter. Do you see that?

A. Yes, I will just read that:

"The Chapter of the Olympic

Athletic and Social Club Limited

"was to be taken from this club and

"this club was to be disbanded."

I think I should have read a little before that --

THE COMMISSIONER: Q. The Olympic Club?

A. Olympic Athletic and Social Club.

Q. And

MR. KENNY: Q. You based on that report

when you received in October. I see -- I

don't see any action taken in that case

until the following spring in May when you

found out that the club was in fact dead?

A. The City Police report is

that the club was in fact dead.

Yes, this was a group that I think

up on my return in the spring.

Q. Well, then, without going into

the details of that, you had a hearing at

which the police were present and when you

concluded the hearing in the usual way on the



1 grounds of forfeiture?

2 A. Yes. Well, there were ---

3 THE COMMISSIONER: Q. No, that is a fact?

4 Is that the end of that one . . .

5 MR. ESTEY: Yes, that is the end of that.

6 THE COMMISSIONER: Q. . . . Mr. Cudney?

7 MR. ESTEY: Q. That is correct, is it,  
8 Mr. Cudney?

9 A. It was cancelled, I would say, I  
10 notice my letter -- in the cancellation of  
11 the club I mention the grounds of forfeiture,  
12 and in the hearing I confined it to the  
13 grounds mentioned in the letter.

14 Q. I see in Mr. Lavine's memo that  
15 it was clear that the club did not go into  
16 operation for twenty years after the filing  
17 of the letters patent?

18 A. Yes, that was clear; I don't  
19 think there was a clearer case of forfeiture.

20  
21 ---Whereupon the hearing adjourned at 1.10 p.m.  
22 until 2.15 p.m.

23  
24  
25  
26 (Page 13090 follows)



A. Yes, there were ---

Is that the end of that one . . .

MR. LATTY: Yes, that is the end of that.

THE COMMISSIONER: O. . . Mr. O'Connell?

MR. LATTY: O. That is correct, is it?

W. O'Connell?

A. It was cancelled, I would say, I

noticed my letter -- in the cancellation of

the club I mention the grounds of Toronto.

and in the hearing I confined it to the

grounds mentioned in the letter.

Q. I see in Mr. Lattin's memo that

it was shown that the club did not go into

the grounds of the club but was in the

of one person's property?

A. Yes, that was clear; I don't

think there was a clearer case of Toronto.





AA/1/JMcG

1 ---On resuming at 2:15 o'clock p.m.

2 ---The witness resumed the stand.

3  
4 MR. ESTEY: Mr. Commissioner, this may  
5 be a convenient time to pick up a loose end  
6 left over from yesterday. At that time we  
7 dealt with the Spadina Social and Card Club  
8 indicating there had been an underlying club  
9 which had applied for a charter which was  
10 refused. We have now had an opportunity of  
11 going through the active files to put this  
12 skein together and I would like to examine  
13 Mr. Cudney briefly on the Spadina Social and  
14 Card Club which was referred to yesterday.

15 THE COMMISSIONER: Yes.

16 THE WITNESS: That was in 1948.

17 MR. ESTEY: Q. Yes, but first of all,  
18 this application was turned down by you after  
19 police reports were received and subsequently  
20 a charter was issued.

21 A. That was in 1949. I wouldn't  
22 say it was turned down. That was one I  
23 discussed with my Minister. The subsequent  
24 supplementary application that I turned down  
25 without reference was one I discussed with my  
26 Minister. I didn't turn it down in the  
27 first instance. I didn't make the decision.  
28 It is thirteen years ago and as I say I don't  
29 remember it except for what is in the memo.  
30



10/1/1962

THE CHAIRMAN: Mr. Chairman, this may be a question that you will want to ask. As I have said, I am not sure that the Committee has been able to find out whether there has been an investigation of the matter which had applied for a charter which was refused. We have now had an opportunity of going through the active files to put this back together and I would like to examine Mr. Gandy's report on the Social and the Club which was referred to yesterday.

THE CHAIRMAN: Yes.

THE WITNESS: That was in 1962.

MR. BAKER: O. Yes, but I am not sure this application was turned down by you when it was first submitted and I am not sure a charter was issued.

A. That was in 1962. I would like to say it was turned down. That was one I discussed with my Minister. The application supplementary application that I turned down.

THE CHAIRMAN: I didn't turn it down in the first instance. I don't know what happened. It is fifteen years ago and as I say I don't remember it except for what is in the report.





1 Q. Oh, yes, all right. This is one  
2 where you interviewed the people the Provincial  
3 Police had interviewed before?

4 A. That is right, Slater and Slotteroff.

5 Q. And Mr. Porter intimated a  
6 charter should be issued and you did issue it?

7 A. Yes.

8 Q. And in the police report of the  
9 Spadina Social and Card Club there is reference  
10 made to the Spadina Social Club and you and  
11 Mr. MacKenzie were good enough to give us the  
12 file on that. I believe the Spadina Social  
13 Club application was made on the 24th of  
14 February, 1948?

15 A. The application is dated March  
16 2nd, 1948 and I received it on March 3rd, 1948.

17 Q. Is there any correspondence ahead  
18 of that indicating there were some changes  
19 made?

20 A. Oh, yes, an application was  
21 received on February 1st, 1948.

22 Q. I wonder if we can do this without  
23 unnecessarily complicating the thing. The  
24 application for the Spadina Social Club was  
25 for 548 Dundas Street West; is that true?

26 A. This was the 1948 application,  
27 you mean?

28 A. Yes?

29 A. No, it just says "within the City  
30





Q. On, yes, all right. This is one

thing that I remember and I believe the

Police had interviewed him.

A. That is right, Mister and Attorney.

Q. And Mr. Vester is

character should be named and you did name him?

A. Yes.

Q. And in the police report of the

Spokane Social Club, was there a reference

made to the Spokane Social Club and you and

Mr. McKeen were good enough to give us the

name of that? I believe the Spokane Social

Club application was made on the 24th of

February, 1945.

A. Yes, that is correct.

Q. And I received it on March 2nd, 1945.

A. Yes, that is correct.

Q. Now, I believe that was the date

A. Oh, yes, an application was

received on February 1st, 1945.

Q. I wonder if we can go this far?

unnecessarily complicating the thing. The

application for the Spokane Social Club was

for 248 members, correct?

A. This was the 1945 application.

Q. You mean?

A. Yes.

Q. Now, I believe that was the date



1 of Toronto and not elsewhere". This was  
2 before we limited them to a particular address.  
3 The application just says, "within the City of  
4 Toronto".

5 THE COMMISSIONER: Q. This was the club  
6 that originated for the benefit of those engaged  
7 in the garment business?

8 MR. ESTEY: That is where this started  
9 yesterday, Mr. Commissioner.

10 Q. In your file on the Spadina Social  
11 Club, that is the first Spadina file if I may  
12 call it that, there was a report in 1948 from  
13 the O.P.P. which refers to this club and says  
14 it was to be operated on the premises of the  
15 Old Grads Club.

16 A. Yes, on the premises of the Old  
17 Grads Club.

18 Q. Now, let us follow this up;  
19 the Old Grads Club operated, according to your  
20 file, at 548 Dundas Street West?

21 A. In the return, Mr. Estey, the  
22 name was The Grads Baseball Club of Toronto  
23 and in 1945 the annual return indicated the  
24 head office was at 548 Dundas Street West in  
25 the City of Toronto.

26 Q. Now, we have the sequence - the  
27 Grads Club was located at 548 Dundas Street  
28 West and the first Spadina application was  
29 in respect to 548 Dundas Street West. Now, to  
30



of Toronto and not elsewhere". This was  
before we listed them to a particular address.  
The application just says, "within the City of  
Toronto".

THE COMMISSIONER: Q. There was the club  
that originated for the benefit of these engaged  
in the garment business?  
MR. LEBLANC: That is where this started  
yesterday, Mr. Commissioner.

Q. In your file on the Spadina Hotel  
Club, that is the first Spadina file I was  
call it that, there was a report in 1948 from  
the C.P.P. which refers to this club and says  
it was to be operated on the premises of the  
the hotel.

A. Yes, on the premises of the old  
Grade Club.

Q. Now, let us follow this up;  
the old Grade Club operated, according to your  
file, at 548 Dundas Street West?

A. In the return, Mr. LeBlanc, the  
name was the Grade Handball Club of Toronto  
and in 1945 the annual return indicated the  
head office was at 548 Dundas Street West in  
the City of Toronto.

Q. Now, we have the reference - the  
Grade Club was located at 548 Dundas Street  
West and the first Spadina application was  
in respect to 548 Dundas Street West. Now, to





1 fill in the picture it indicates the Grads  
2 Club charter was cancelled in March, 1948?

3 A. Yes, the effective date was March  
4 25th, 1948.

5 Q. The order-in-council was dated  
6 the 4th of March?

7 A. Yes.

8 Q. So you have the Grads Club charter  
9 cancelled in March, 1948, and you then have  
10 an application for the Spadina Social Club at  
11 the same address, dated February 25th, 1948  
12 during the cancellation procedure in regard  
13 to the other club, I suppose.

14 A. No, the Grads Club charter was  
15 cancelled in March, 1948.

16 Q. And this application was in the  
17 last few days of February, 1948?

18 A. Yes.

19 THE COMMISSIONER: I thought you said  
20 March 25th, 1948.

21 A. That is the date of the order-in-  
22 council.

23 Q. The application of the Spadina  
24 Social Club was dated the 25th of February?

25 A. Yes.

26 Q. The same year?

27 A. Yes.

28 Q. The charter had not yet been  
29 cancelled, Mr. Estey.  
30



.A Yes, we have no other way.

5112



1 MR. ESTEY: No, my lord, the proceedings  
2 were going forward.

3 Q. Now, unless I am mistaken, the  
4 lawyer for the Grads Club was F.J. Gardner,  
5 Q.C.?

6 A. Pardon me a second.

7 in  
8 Q. I think you will see, the old file  
9 Mr. Gardner went to see Mr. Michener.

10 A. This was the Grads Veterans.

11 THE COMMISSIONER: The what?

12 A. The Spadina Social Club.

13 MR. ESTEY: We are talking about the  
14 Grads Club?

15 A. Yes.

16 Q. Was the proper name the Old Grads  
17 Club?

18 A. The name was --

19 Q. Was it the Grads Baseball Club?

20 A. The Grads Baseball Club of Toronto.,  
21 and, my lord, the name was changed to the  
22 Grads Veterans Baseball Club.

23 THE COMMISSIONER: Changed to what?

24 A. The Grads Veterans Baseball Club.

25 MR. ESTEY: Q. Your file on that  
26 club is O-26733?

27 A. Yes.

28 Q. You will see in there a letter  
29 from Mr. Gardner to Mr. Michener, the then  
30 Provincial Secretary, about these convictions.

AA/2





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Q. Now, did you see any of the men who were  
there that day?  
A. Yes, I saw a man who was with them.  
Q. What was his name?  
A. I don't know.

Q. C.?

A. I don't know.  
Q. I think you will see the old file  
in  
Mr. Gordon went to see Mr. McPherson.  
A. I don't know.  
Q. The name of the man who was with them  
was the same as the man who was with them.  
A. I don't know.  
Q. I don't know.

A. I don't know.  
Q. Was the person named the old man?

A. I don't know.  
Q. The name was --  
A. I don't know.  
Q. Was it the same as the man who was with them?  
A. I don't know.

Q. Now, my lord, the name was changed to the  
name of the man who was with them.

THE COMMISSIONER: Changed to what?  
A. The name of the man who was with them.  
Q. Now, my lord, the name was changed to the  
name of the man who was with them.

Q. Now, my lord, the name was changed to the  
name of the man who was with them.  
A. I don't know.  
Q. You will see in there a letter  
from Mr. Gordon to Mr. McPherson, the one  
which was dated, I think, in 1900.



1 A. Yes.

2 Q. Let us return to the main stream;  
3 we have these facts so far - you have the  
4 Grads Veterans Club located at 548 Dundas  
5 Street, and their charter was cancelled.

6 A. Yes - pardon me a second.

7 MR. WILSON: Unless the notes in my  
8 brief are wrong, the date of the incorporation  
9 of the Spadina Social Club was in 1949.

10 A. That is the Spadina Social and  
11 Card Club.

12 MR. WILSON: What are you talking about?

13 THE COMMISSIONER: Q. At the time  
14 the charter of the Grads Baseball Club was  
15 being proceeded with towards cancellation,  
16 an application was made by the Spadina Social  
17 Club, and now you are referring to some  
18 correspondence that took place relative to  
19 the incorporation of the Spadina Social Club.

20 MR. ESTEY: Yes, that is right, sir.

21 Q. Now, can you find the Spadina  
22 Social Club file? I believe there is some  
23 correspondence in it leading up to this,  
24 leading up to the names which the police  
25 objected to, and it was withdrawn. One  
26 amended petition was filed and that gives rise  
27 to the difference in the date which you told  
28 us about a moment ago.

29 A. I see an application was submitted  
30



A. I see an application for admission  
 as about a month ago.

of the difference in the case which you tell  
 amended petition was filed and that gives rise  
 objected to, and it was withdrawn. One  
 leading up to the names which the petition  
 correspondence in its leading up to this.

Social Club files. I believe there is some  
 Q. Now, can you find the Social  
 Mr. Wilson, that is what I want.

the incorporation of the Spanish Social Club.  
 correspondence that took place relative to  
 Club, and now you are referring to some  
 an application was made by the Spanish Social  
 being proceeded with towards cancellation,

the charter of the Spanish Social Club was  
 THE COMMISSIONER: Q. At the time  
 Mr. Wilson: What are you talking about?

and that  
 of the Spanish Social Club was in 1919.  
 that are wrong, the date of the incorporation  
 Mr. Wilson: Unless the notes in my  
 A. Yes - I mean me a second.

Street, and their charter was cancelled.  
 that is what I am talking about.  
 we have these facts as far as you have the  
 Q. Let us return to the main question;





1 on February 25th and then there was a letter  
2 of the solicitor that the application should  
3 be made by persons who continued to be members  
4 after the application.

5 Q. In any case the application was  
6 refused?

7 A. The application was then referred  
8 to both police forces.

9 Q. I have a note it was refused on  
10 April the 7th, 1948.

11 A. Yes, I wrote the solicitor for  
12 the applicant.

13 THE COMMISSIONER: Q. Is that right?

14 A. Yes, that is right.

15 MR. ESTEY: So we don't lose the thread  
16 here, it was the Grads Club charter that was  
17 cancelled in early March and then you have  
18 an application by the Spadina Social Club  
19 and that was refused on April 7th. Then the  
20 next event is in May, 1948 and we find an  
21 application for incorporation of the Acme  
22 Card and Social Club, 548 Dundas Street.

23 THE COMMISSIONER: For what?

24 A. My lord, it was the Acme Card  
25 and Social Club.

26 Q. What address was that, Mr. Estey?

27 MR. ESTEY: 548 Dundas Street.

28 Q. The same address?

29 A. The same address. As far as the  
30



on February 25th and then there was a letter  
of the solicitor that the application should  
be made by persons who continued to be members  
after the application.

Q. In any case the application was  
A. The application was then referred  
to both police forces.

Q. I have a note it was referred on  
A. Yes, I wrote the solicitor for  
one application.

THE COMMISSIONER: Q. Is that right?  
A. Yes, that is right.

MR. KENNEDY: So we don't have the answer  
here, it was the Grand Jury then that was  
cancelled in early March and then you have  
an application by the Spadina Social Club  
and that was referred on April 1st. Then the  
next event is in May, 1963 and we find an  
application for incorporation of the same  
Grand and Social Club, 548 Dundas Street.

A. My lord, it was the Aspie Grand  
and Social Club.

Q. What address was that, Mr. Kennedy?  
MR. KENNEDY: 548 Dundas Street.

A. The same address. We find it was





1 charter goes it says: "Within the City of  
2 Toronto".

3 Q. And in the police investigation  
4 you say again the reference is the same as  
5 the Spadina Club.

6 THE COMMISSIONER: Q. They proposed to  
7 operate at 548 Dundas Street?

8 A. Yes, sir.

9 Q. Let us get on from there.

10 MR. ESTEY: Q. The Acme Club appeal  
11 was lost?

12 A. Yes.

13 Q. And I think you have found in  
14 some part of your records a card from a lawyer.

15 A. Yes.

16 Q. And what is the name of the lawyer?

17 A. It is Parkinson, Gardner.

18 Q. Did you grant the application?

19 A. Yes, the charter was granted and  
20 dated May 15th, 1948.

21 Q. We will come back to the detailed  
22 operation of that club but to carry on this  
23 chain of events, in the Spadina Social and  
24 Card Club incorporation an application was made  
25 in February, 1949. I think you told us  
26 that yesterday.

27 A. I will just get that file.

28 THE COMMISSIONER: The charter was dated  
29 April 1st, 1949.  
30





...is the name of the person who is the owner of the property.

...the name of the person who is the owner of the property.

Q. And in the police investigation ...

...the name of the person who is the owner of the property.

...the name of the person who is the owner of the property.

THE COMMISSIONER: Q. What proposed to ...

operate at 444 Madison Street?

A. Yes, sir.

Q. Let us get on that first.

THE COMMISSIONER: Q. What is the name of the person who is the owner of the property?

was found?

A. Yes.

Q. And I think you have found in ...

some part of your records a card from a lawyer.

A. Yes.

Q. And what is the name of the lawyer?

A. It is Richardson, I think.

Q. Did you grant the application?

A. Yes, the charter was granted him.

THE COMMISSIONER: Q. What is the name of the person who is the owner of the property?

Q. He will come back to the commission ...

operation of that club but to carry on this ...

chain of events, in the Spadina Social and ...

and club incorporation an application was made ...

in February, 1935. I think you told us ...

...the name of the person who is the owner of the property.

A. I will just say that this ...

THE COMMISSIONER: The charter was given ...

...the name of the person who is the owner of the property.



1 THE WITNESS: The application was received  
2 on February 18th, 1949.

3 MR. ESTEY: Q. That is the one where  
4 there was some delay and ultimately the  
5 Provincial Secretary directed that application  
6 be granted?

7 A. I forget the details - this is  
8 just a memorandum.

9 Q. We just want to be sure of that.

10 A. Yes.

11 Q. There was an application shortly  
12 thereafter, or in August, 1957 to move that  
13 address to 560 King Street West?

14 A. Yes.

15 Q. And that is the instance where  
16 you objected to the order?

17 A. Yes.

18 Q. Now, a number of these transactions,  
19 and most of these clubs are mentioned in the  
20 police reports. The Acme Social Club is  
21 mentioned in Inspector Walker's report of  
22 February 2nd, 1960. Do you have that?

23 A. Yes, I have that, Mr. Estey.

24 THE COMMISSIONER: Q. That is the  
25 Acme Club.

26 MR. ESTEY: Yes, the Acme Card and  
27 Social Club file. For the record, page 3  
28 of that report purports to give the threads  
29 of what we have gone through now where there  
30



THE QUESTION: THE QUESTION: THE QUESTION

THE ANSWER: THE ANSWER: THE ANSWER

Q. THAT IS THE ONE WHICH

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

A. I FORGET THE DETAILS - THIS IS

THE ANSWER: THE ANSWER: THE ANSWER

Q. WE JUST WANT TO BE SURE OF THAT.

A. YES.

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

A. YES.

Q. AND THAT IN THE INSTANCES WHERE

THE ANSWER: THE ANSWER: THE ANSWER

A. YES.

Q. NOW, A NUMBER OF THESE TRANSACTIONS,

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

THE ANSWER: THE ANSWER: THE ANSWER

A. YES, I HAVE THAT, MR. TOLSON.

THE QUESTION: THE QUESTION: THE QUESTION

THE ANSWER: THE ANSWER: THE ANSWER

MR. TOLSON: YES, THE AGENCIES AND

SOCIAL CLUBS LIKE. FOR THE RECORD, PAGE 3

OF THAT RECORD PRESENTS TO GIVE THE CHAIRMAN

OF WHAT WE HAVE GONE THROUGH AND WHERE THERE





1 is the first attempt to replace the charter  
2 and the same general people are involved and  
3 it was the same address, and the charter  
4 started with the Grads Veterans Club and ended  
5 up with the Acme Club.

6 THE WITNESS: That is on page 3.

7 MR. ESTEY: Q. Do you see it?

8 A. Yes.

9 Q. That report takes you down to  
10 where I left off dealing with moving the  
11 Spadina Social and Card Club and so on?

12 A. Yes.

13 Q. That is a rather complicated  
14 pattern for which I apologize, my lord. I  
15 apologize for bringing it out in that way but  
16 it seems impossible to bring it out in any  
17 other way.

18 THE COMMISSIONER: I am following you.  
19 Was there any interlocking?

20 MR. ESTEY: The interlocking occurs at  
21 the very end of the sequence. There is no  
22 interlocking between the two Spadina clubs.  
23 The interlocking on the first three clubs  
24 started with the cancelling of the charter  
25 and we had representations to the lawyers to  
26 preserve it and they are all the same address  
27 but there is no overlapping of personnel  
28 other than they did have the same lawyer.  
29 At the end of the sequence of events we have  
30

AA/3



is the first attempt to replace the character

and the same person would not be

it was the same address, and the character

started with the Grand Veterans Club and continued

up with the same Club.

THE WITNESS: That is on page 3.

MR. HASTY: Q. Do you see it?

A. Yes.

Q. That report takes you down to

where I left off dealing with moving the

Spedina Social and Grand Club and so on?

A. That is a rather complicated

pattern for which I apologize, my lord. I

apologize for bringing it out in that way but

it seems impossible to bring it out in any

other way.

THE COMMISSIONER: I am following you.

Was there any interlocking?

MR. HASTY: Yes, the interlocking between

the very end of the response. There is no

interlocking between the two Spedina clubs.

The interlocking on the first three clubs

seemed with the cancelling of the character

and we had representations to the lawyers to

preserve it and they are all the same address

but there is no overlapping of personnel

other than they all have the same lawyer.

At the end of the response of answer we have





1 the interlocking of individuals. The Spadina  
2 Social and Card Club had two directors who  
3 always attracted the attention of the police in  
4 their reports, Joseph Tripodi and Louis Brickman.  
5 They always turned up.

6 THE COMMISSIONER: Louis what?

7 MR. ESTEY: Louis Brickman, my lord.

8 THE COMMISSIONER: Attached to the  
9 same particular club?

10 MR. ESTEY: They are in the Spadina  
11 and Card  
12 Social Club at 560 King Street, that is the  
13 address to which it moved.

14 THE COMMISSIONER: Mr. Cudney will be  
15 following you and will let you know if you  
16 are wrong.

17 MR. ESTEY: Now, the purpose of this  
18 last sequence, the purpose of that last  
19 illustration is to show that the St. Patrick's  
20 charter was cancelled out at 560 King Street  
21 West in September, 1957 and these two persons  
22 were amongst the directors and its place  
23 was taken at 560 King Street West by the  
24 Spadina Social and Card Club.

25 A. That is correct, yes.

26 Q. All of which is submitted, my  
27 lord, as I will later on point out, to show  
28 the purpose for the subtle moves of corporations  
29 and directors to fill holes caused by  
30 cancellations.



for 3 D.C.B.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED



1 THE COMMISSIONER: Just start at the  
2 tail end of that story. Tripodi and  
3 Brickman were directors of the St. Patrick's  
4 Recreation Club and the last place of operation  
5 of that club was 560 King Street West.

6 MR. ESTEY: Yes, my lord, I must  
7 correct myself, I knew it was too simple to  
8 be true. It moved from 560 King Street  
9 West to make way for the Spadina Social and  
10 Card Club and moved to 39 Clinton Street.

11 MR. WILSON: In what year did it move?

12 MR. ESTEY: In 1957.

13 THE COMMISSIONER: What part of 1957?

14 MR. ESTEY: Q. Mr. Cudney, have you  
15 got that date?

16  
17  
18 (Page 13101 follows)  
19  
20  
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THE COMMISSIONER: I was alone at the

tail end of this story. Tripod and

Anderson were directors of the St. Paul

Trust Company. The fact that the

of that club was 250 King Street West.

MR. WATNEY: Yes, my lord, I think

correct myself, I think it was too simple to

be true. It moved from 250 King Street

West to make way for the Spadina Hotel and

Gold Club and moved to 25 Clanton Street.

MR. WATNEY: In 1907, I think

MR. WATNEY: In 1907.

THE COMMISSIONER: What part of 1907?

MR. WATNEY: C. Mr. Gurney, have you

got that date?

(Page 1101 follows)





A.

1 St. Patrick's Club file shows that in 1939  
2 the address was 560 King Street West. There are  
3 no returns and apparently at the time of the  
4 cancellation they were at 41-43 Clinton Street.  
5 That was in April, 1960. On March 31st, 1959,  
6 they were at 560 King Street West.

7 THE COMMISSIONER: Now I am getting  
8 confused. You say the Spadina Social and  
9 Card Club originally had its place of operation  
10 at 163½ Spadina Avenue and in August of 1957  
11 they applied to change the site to 560 King  
12 Street West?

13 A. Yes, that is right.

14 THE COMMISSIONER: I think I am right.

15 A. Yes.

16 Q. Now, you say that in August, 1957  
17 and until later, in fact until 1959 the St.  
18 Patrick's Recreation Club was situated at 560  
19 King Street West.

20 A. That is what appears from the  
21 annual returns.

22 Q. Was the Spadina Social and Card  
23 Club going to move in with the St. Patrick's Club?  
24 a  
25 It seems a strange state of affairs. Can you  
26 bring that out, Mr. Estey?

27 MR. ESTEY: Yes, my lord, the police  
28 report on Acme on the 4th of February, 1960  
29 to Chief Mackey from Inspector Walker deals with  
30 it.



86. Patrick's Club was known that in 1933

the address was 100 King Street West, Toronto

the meeting and opening of the club in the

reconstruction work was at 11-13 King Street West,

and was in April, 1934. The house was, 1935,

the name of 100 King Street West.

THE RECONSTRUCTION: Now I am getting

confused. You say the Spanish Social and

Club originally had its place of operation

at 100 King Street West and in August of 1934

they applied to change the site to 100 King

Street West.

A. Yes, that is right.

THE RECONSTRUCTION: I think I am right.

A. Yes.

Q. Now, you say August, 1934

and until later, in fact until 1939 the 86.

Patrick's Reconstruction Club was situated at 100

King Street West.

A. That is what appears from the

reconstruction.

Q. Was the Spanish Social and Club

the same as the one at 100 King Street West?

A. It seems a change made of address. Can you

recall that?

MR. HARTY: Yes, my lord, the police

report on home on the 4th of February, 1933

the club was at 100 King Street West.





1 THE COMMISSIONER: Where was the Acme  
2 Club then?

3 MR. ESTEY: Perhaps it would all fall  
4 into place if I read the paragraph:

5 "During the ensuing years until  
6 "1956, numerous complaints regarding  
7 "illegal gambling and betting  
8 "activities were registered at the  
9 "Morality Bureau on the charter  
10 "club locations as follows: Acme  
11 "Card and Social Club, 548 Dundas  
12 "Street West.  
13 "Spadina Social and Card Club,  
14 "163½ Spadina Avenue.  
15 "St. Patrick's Recreational Club,  
16 "560 King Street West.  
17 "Springburn Club, 1764 St. Clair  
18 "Avenue West.  
19 "Springburn Club (Branch), 39-41  
20 "Clinton  
21 "~~Queen~~ Street.  
22 " On September 16th, 1957, the  
23 "charter of the Springburn Club and  
24 "Branch were cancelled after a con-  
25 "viction was registered for keeping  
26 "a common gaming house which resulted  
27 "in the St. Patrick's Recreational  
28 "Club moving from 560 King Street  
29 "West to the Springburn (Branch)  
30 "location at 39-41 Clinton Street.







1 "The St.Patrick's Recreation Club

2 "was charged as a common gaming

3 "house on December 31st, 1959,

4 "the disposition of this case being

5 "still pending.

6 " In December, 1957, application

7 "was made to the Deputy Provincial

8 "Secretary's office by the Spadina

9 "Social and Card Club to move the

10 "club premises and head office

11 "to the former location of the

12 "St.Patrick's Recreational Club at

13 "560 King Street West. This change

14 "of premises was strongly opposed

15 "by the Police Department but, the

16 "application was granted and the

17 "move was made. The Spadina Social

18 "and Card Club was charged on May

19 "12th, 1959 as a common betting house

20 "and with selling lottery tickets.

21 "On January 5th, 1959 Joseph Tripodi,

22 "the president, was convicted of selling

23 "lottery tickets and received a

24 "suspended sentence. On September

25 "3rd, 1959, a charge of keeping a

26 "common gaming house was laid against

27 "Tripodi resulting in a conviction

28 "on October 23rd, 1959. It may be

29 "pointed out at this time that

30







1 "Joseph Tripodi was shown as  
2 "president of the St.Patrick's  
3 "Recreational Club at that  
4 "address in 1957.

5 " It is obvious from the  
6 "aforementioned facts that a  
7 "common interest exists among the  
8 "clubs regarding location and  
9 "control."

10 THE COMMISSIONER: Your returns show  
11 the St.Patrick's Club was located at 560 King  
12 Street West.

13 MR. ESTEY: Yes, my lord, in March, 1959.

14 THE COMMISSIONER: According to Mr.  
15 Walker's report they had moved.

16 THE WITNESS: I don't know whether it  
17 makes any difference but 560 King Street West  
18 is the location of the head office. It is  
19 likely the same.

20 MR. ESTEY: In any case, we see a rather  
21 complicated game of musical chairs being played  
22 by these clubs and everybody was in step and  
23 the only flat note was Mr. Cudney cancelling  
24 the charter. These five clubs seemed to  
25 have moved around in the same pattern and  
26 they had the same lawyer throughout.

27 MR. WILSON: You didn't mention Mr.  
28 Gould.

29 MR. ESTEY: Ever since I was upbraided  
30



"Joseph T. [unclear] was shown as  
"President of the St. Paul [unclear]  
"Recreational Club at [unclear]

[unclear] in [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]

[unclear] [unclear] [unclear]  
the St. Paul [unclear] Club was located at 500 [unclear]  
[unclear] [unclear] [unclear]

MR. [unclear]: Yes, my lord, in March, 1933.  
[unclear] [unclear] [unclear]: According to Mr.  
[unclear] [unclear] [unclear] report they had moved.

[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]

MR. [unclear]: In any case, we see a rather  
complicated game of musical chairs being played  
by these clubs and everybody was in step and  
the only first move was Mr. [unclear] cancelling  
the charter. These five clubs seemed to  
have moved around in the same pattern and  
[unclear] [unclear] [unclear]

MR. [unclear]: You didn't mention Mr.

[unclear]

MR. [unclear]: Now since I was [unclear]



1 by you I haven't named lawyers.

2 THE COMMISSIONER: What difference does  
3 it make?

4 MR. WILSON: My friend like to mention  
5 all the Conservatives but he likes to overlook  
6 the Liberals.

7 THE COMMISSIONER: What position do you  
8 have here?

9 MR. WILSON: I am here as Commission  
10 counsel trying to keep this thing in proper  
11 balance.

12 THE COMMISSIONER: I am here too and I  
13 do not think it makes a particle of difference  
14 what political parties these men belong to.

15 MR. WILSON: Well, if it appears in  
16 the press, as it has appeared, we should have  
17 all political parties named, not just one.

18 THE COMMISSIONER: We have got that.

19  
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21 (Page 13115 follows)  
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THE COMMISSIONER: We have got that.

all political parties named, not just one.

the press, as it has appeared, we should have

MR. WILSON: Well, it it appears in

what political parties these men belong to.

do not think it makes a particle of difference

THE COMMISSIONER: I am here too and I

imagine.

counsel trying to keep this thing in proper

MR. WILSON: I am here as Commissioner

have come

THE COMMISSIONER: What position do you

the Liberals.

all the Conservatives but he likes to overlook

MR. WILSON: My friend likes to mention

is that?

THE COMMISSIONER: What difference does

do you I believe it makes?

(page 12115 follows)



BB/1/FAL

1 MR. ESTEY: Q. Now, then, Mr. Cudney,  
2 I would like to keep on with -- just finish  
3 up what we were at this morning as quickly as  
4 I can. This is the question of the transfer,  
5 to use the word improperly, transfer of the  
6 control or ownership of these corporations  
7 without share capital. I would like you to  
8 turn to the Sorauren Social Club.

9 THE COMMISSIONER: Where does that appear?

10 MR. WILSON: It may save re-examination  
11 if we could clear up whether or not my friend  
12 is suggesting that the Spadina Social and  
13 Card Club was at any time at 548 Dundas Street  
14 West.

15 THE COMMISSIONER: He has not suggested  
16 it was.

17 MR. WILSON: I could not be clear from  
18 what was going on whether he was making that  
19 suggestion or not.

20 MR. ESTEY: I reviewed the file yesterday  
21 in some detail and that address does not appear  
22 in the provincial file.

23 THE COMMISSIONER: There were two addresses  
24 only; 163½ Spadina, and the other, 560 King  
25 Street.

26 MR. WILSON: That is my understanding.

27 THE COMMISSIONER: Where does the  
28 Sorauren Social Club --  
29

30 MR. ESTEY: It appears in Appendix K, Mr.



MR. BERRY: Now, then, Mr. Cridney,

I would like to ask you a question or two. As we were at this morning as quickly as I can. This is the question of the transfer of the control or ownership of these corporations without more capital. I would like you to turn to the Southern Social Club.

THE COMMISSIONER: Where does that appear?

MR. WILSON: It may have re-examination. It we could clear up whether or not my friend is suggesting that the Southern Social Club was at any time at 543 Madison Avenue.

THE COMMISSIONER: He has not suggested it was.

MR. WILSON: I could not be clear from what was going on whether he was making that suggestion or not.

MR. BERRY: I reviewed the file yesterday in some detail and your address does not appear in the previous file.

THE COMMISSIONER: I am not sure, but I think it is 135 Spadina, and the other, 100 Bloor.

MR. WILSON: That is my understanding.

Southern Social Club --

MR. BERRY: It appears in Appendix K, Mr.





1 Commissioner, at page 8 and Appendix J at pages  
2 8, 18 and 20. The reference at page 8 of  
3 Appendix K gives a summary of the Metropolitan  
4 Toronto Police reference to this club, giving  
5 the addresses at Dundas Street West and Yonge  
6 Street. Incorporated in 1947 and cancelled  
7 December, 1960.

8 Q. Do you have that file, Mr. Cudney?

9 A. Yes, I have, Mr. Estey.

10 Q. On your C file there is the usual  
11 situation, and I do not say that critically of  
12 the Department, I say this usual situation we  
13 find in one of these cancellation files, where  
14 in the history of it we find, for example,  
15 from 1947 to 1950 no returns. Then, they  
16 come in together. This seems to be a Toronto  
17 club. Then, in 1959 we find all the officers  
18 resign.

19 THE COMMISSIONER: Wait a minute. I  
20 cannot write quite as quickly as you talk.

21 Incorporated on January 15, 1947?

22 A. 1946, my lord.

23 MR. ESTEY: I think the letters patent  
24 are dated December 24, 1946.

25 Q. Mr. Cudney, is that correct?

26 A. That is correct.

27 Q. December 24?

28 A. December 24.

29 THE COMMISSIONER: Then, the brief is wrong.  
30



Commissioner, at pages and Appendix 3 at pages  
 8, 13 and 20. The reference at page 8 of  
 Appendix K gives a summary of the Metropolitan  
 Toronto Police reference to this club, giving  
 the address as 200-202 Dundas Street West and  
 stating that the club was established in 1907 and was called

December, 1900.

Q. Do you have that file, Mr. Ordner?  
 A. Yes, I have it.  
 Q. On your G file there in the room?  
 A. Yes, and I do not have that originally of  
 the Department, I say this name at attention he  
 find in one of these cancellation files, where  
 in the history of it we find, for example,  
 from 1907 to 1900 no returns. Then, they  
 come in together. This seems to be a Toronto  
 club. Then, in 1900 we find all the officers

THE COMMISSIONER: Well a minute. I  
 cannot write quite as quickly as you talk.

Investigation on January 12, 1907.

A. 1907, my Lord.

MR. TERRY: I think the letters concern

the same person, do you?

Q. Mr. Ordner, is that correct?

A. That is correct.

THE COMMISSIONER: Yes.

A. December 24.

THE COMMISSIONER: Then, the letter is wrong.





1 MR. ESTEY: Yes, the police would appear  
2 to have the wrong date.

3 THE COMMISSIONER: Incorporated, then,  
4 what date?

5 A. December 24, 1946, my lord.

6 Q. All right.

7 Now, then we were paying some attention  
8 to the returns?

9 MR. ESTEY: Yes.

10 Mr. Commissioner, in the period 1947 to  
11 1950 inclusive there is a gap in the returns.  
12 They were filed in 1954.

13 THE COMMISSIONER: When in 1954?

14 MR. ESTEY: January the 29th, 1954.

15 THE COMMISSIONER: January 29, 1954, the  
16 returns for -- ?

17 MR. ESTEY: 1951, 1952 and 1953.

18 Q. Is that correct, Mr. Gudney?

19 A. The returns from -- No, I am sorry.  
20 On February, 1951, the returns were filed  
21 from incorporation to date - that is, from  
22 1946 to 1950. They were filed in '51. And,  
23 then, in 1954, January, 1954 -- No. The  
24 1951 return was filed in '54; the '52 return  
25 was filed in '53; the '53 in '53.

26 THE COMMISSIONER: Your information must  
27 be wrong, Mr. Estey.

28 MR. ESTEY: Q. Are we correct in the  
29 fact the 1947 to 1950 years were filed at one time?  
30





MR. WATKINS: Yes, the police would appear

to have the wrong date.

THE COMMISSIONER: Incorporated, then,

what date?

A. December 22, 1951, or January,

1952. All right.

Now, then we were paying some attention

to the returns?

MR. WATKINS: Yes.

MR. COMMISSIONER: In the period 1947 to

1950 inclusive there is a gap in the returns.

You say that is right.

THE COMMISSIONER: Now, in 1951

the returns were filed in 1951.

THE COMMISSIONER: January 20, 1952, for

1951 and 1952.

MR. WATKINS: 1951, 1952 and 1953.

A. In the returns, the returns

A. The returns from -- No, I am sorry.

On February, 1951, the returns were filed

from incorporation to date -- that is, from

1947 to 1950. The returns filed in 1951, then,

then, in 1951, January, 1951 -- No, the

1951 returns were filed in 1951; the 1952 returns

were filed in 1951; the 1953 in 1953.

THE COMMISSIONER: Now, 1951, 1952 and

1953, the returns.

MR. WATKINS: Q. Are we correct in the

fact the 1947 to 1950 years were filed at one time?



1 A. Just pardon me, sir. The '51,  
2 '52 and '53 were all filed in '54.

3 THE COMMISSIONER: Wait a minute, let me  
4 take command for a minute.

5 Q. The company was incorporated in  
6 December, 1946?

7 A. Yes.

8 Q. We are all agreed on that?

9 A. Yes.

10 Q. Are we agreed on this, that the  
11 returns for 1947 to 1950 inclusive were filed  
12 in 1950?

13 A. 1951.

14 Q. In 1951. Just a moment. Then,  
15 when were the returns for 1951 to '53 filed?

16 A. In 1954, my lord.

17 Q. Just a moment.

18 I have that now, thank you.

19 MR. ESTEY: Q. Now, Mr. Gudney, the  
20 returns indicate, I believe, that the applicants  
21 -- the original applicants carried on throughout  
22 the period ending in 1959. They all resigned  
23 on the 8th of September, 1959.

24 THE COMMISSIONER: Q. Do you agree?

25 A. I just have to check the file,  
26 my lord. Well, there were a number of  
27 original applicants.

28 MR. ESTEY: Q. Well, the officers.

29 A. The officers, yes. They continue  
30

12' at bottom of new 22' and 24'

THE CHAIRMAN: I HAVE A MINUTE.

STATE COMMISSION FOR A FUTURE.

There is no reason to believe that

but it was evident that it was not a matter

000000





1  
2 pretty much -- Let me see. Yes, until -- Yes,  
3 till '59, my lord. That is true.

4 THE COMMISSIONER: Then, something  
5 happened in 1959.

6 MR. ESTEY: All the officers resigned.

7 THE COMMISSIONER: On what date?

8 MR. ESTEY: September the 8th, 1959.

9 THE COMMISSIONER: Yes.

10 A. September 8th, 1959; yes.

11 MR. ESTEY: Q. So, at that stage, Mr.  
12 Cudney, without looking into your secret file  
13 for the moment, one would suspect the charter  
14 changed hands at that time?

15 THE COMMISSIONER: Not necessarily. All  
16 I know of the story up to the minute is in  
17 September, 1958 (sic), all the officers who  
18 were then in office and had been in office  
19 continually since the inception, resigned.  
20 All right. Were they succeeded by some other  
21 people?

22 MR. ESTEY: They were.

23 THE COMMISSIONER: When?

24 MR. ESTEY: The new slate of officers  
25 are shown as being elected on January the 8th,  
26 1960; but they must have been elected on the  
27 8th of September, 1959.

28 THE COMMISSIONER: That does not  
29 necessarily follow, that the membership had  
30 changed.



pretty much -- but no see. Yes, until -- Yes.

All right, now, that is true.

THE COMMISSIONER: Yes, certainly.

That is true.

MR. TERRY: All the officers were.

THE COMMISSIONER: On what date?

MR. TERRY: September 1938.

THE COMMISSIONER: Yes.

Is that the only date?

MR. TERRY: O. G., at that time, Mr.

Commissioner, I think I have been asked this

for the moment, and would repeat the charges

changed hands at that time.

THE COMMISSIONER: Not necessarily. All

I know of the story up to the minute is in

September, 1938 (etc.), all the officers who

were then in office and had been in office

previously were in office, certainly.

All right. Were they succeeded by some other

person?

MR. TERRY: They were.

THE COMMISSIONER: When?

MR. TERRY: The new slate of officers

are shown as being elected on January the 2nd,

1939; but they may have been elected on the

1st of September, 1938.

THE COMMISSIONER: That does not

necessarily follow, that the membership had





1 MR. ESTEY: Not necessarily but suspected,  
2 my lord.

3 THE COMMISSIONER: I do not know that it  
4 could even be suspected.

5 MR. ESTEY: Very well. We will carry  
6 on with the file.

7 Q. The next thing of interest in the  
8 file, Mr. Cudney, is that you received a report  
9 from Inspector Walker to Chief Mackey, which  
10 reached you some time around the 4th November,  
11 1960.

12 A. November 18, 1960. Walker's report  
13 is November 4, 1960.

14 Q. I think it is a rather lengthy  
15 report. Do you see mention of the fact that  
16 Sam Kertzer resigned in August, 1959?

17 A. Yes, Sam Kertzer resigned in August,  
18 1959.

19 THE COMMISSIONER: Q. He was --

20 A. He was one of the originals, my  
21 lord.

22 Q. Then, it is not quite correct to  
23 say they all resigned on September the 8th?

24 A. The report states he resigned  
25 about August, 1959.

26 Q. All right. Kertzer?

27 A. Samuel Kertzer, K-e-r-t-z-e-r.

28 MR. ESTEY: Q. Would you read that  
29 paragraph, please, Mr. Cudney?  
30





MR. BARRY: Not necessarily but suspected.

Q.

THE COMMISSIONER: I do not know that is

Q.

MR. BARRY: Very well. We will carry

Q.

2. The next thing of interest in the

file, Mr. Gurney, is that you received a report

from someone dated in early March, 1950,

stating that that person was the

1950.

A. November 18, 1950. Walker's report

is November 4, 1950.

Q. I think it is a rather lengthy

report. Do you see mention of the fact that

Sam Kenton resigned in August, 1950?

A. Yes, Sam Kenton resigned in August,

1950.

THE COMMISSIONER: Q. He was --

A. He was one of the originals, so

long.

Q. Then, it is not quite correct to

say they all resigned on September the 8th?

A. The report states he resigned

Q.

A. All right. Thank you.

Q.

MR. BARRY: Q. Would you read that

Q.



1 A. "Samuel Kertzer stated that  
2 "he resigned as an officer of the  
3 "club about August, 1959. He gives  
4 "the following men as being present  
5 "at this resignation: Harold Kertzer,  
6 "Morris Kertzer and a man by the name  
7 "of Lipton, and four other men who  
8 "took the charter over; he did not  
9 "know the names of these men. His  
10 "original intention, when he took  
11 "over the charter, was to apply for  
12 "a Liquor Licence. He states the  
13 "club did not operate in the past  
14 "few years immediately preceding the  
15 "transfer."

16 THE COMMISSIONER: Q. Read that again.

17 And you do not need to copy it down,

18 Mr. Reporter, you have it already.

19  
20 ---The witness reads the previous quotation.

21 MR. ESTEY: Q. Now, to dispose of this  
22 club: The report of the officer goes on to list  
23 seven or eight of the original members or  
24 petitioners and all of them informed you they  
25 were never a member and were never on the  
26 premises. That is correct, isn't it, Mr. Cudney?

27 A. That is Morris Hecker stated he  
28 did not.

29 Q. I see. When you received this  
30



"he resigned as an officer of the

"the following men as being present

"Morris Ketter and a man by the name

"from the names of these men. His

"over the charter, was to apply for

"club did not operate in the past

"charter."

And you do not need to copy it down,

Mr. Reporter, you have it already.

MR. BERRY: A. Now, telephone of this

club: The report of the officer goes on to state

seven or eight of the original members or

petitioners and all of them informed you that

were never a member and were never on the

petition. That is correct, isn't it, Mr. Gandy?

A. That is Morris Hooker's statement is

did not.

B. I see. When you received this





1 report you sent out a notice and the club did  
2 not ask for a hearing and you cancelled the  
3 charter?

4 A. There had been a conviction in  
5 this case. Yes, I sent out the notice and the  
6 charter was cancelled.

7 THE COMMISSIONER: Q. You sent a notice  
8 out saying the charter would be cancelled on  
9 what grounds?

10 A. On the basis of the club --

11 ". . . your club was convicted of

12 "keeping a common gaming house

13 "situate and known as 280 Yonge

14 "Street, Toronto, . . ."

15 And the charter would be cancelled on that ground  
16 in one week's time.

17 Q. This is the first I have heard  
18 of the conviction. Mr. Estey suggested to  
19 you as soon as you heard of the report -- Oh,  
20 I beg your pardon. Was there something in  
21 the report about the conviction?

22 MR. ESTEY: I think there is. I think I  
23 can find it quite quickly.

24 ". . . the charges against the four

25 "accused men were withdrawn at the

26 "request of the Crown Attorney and

27 "a plea of guilty entered on behalf

28 "of the Sorauren Club by the club's

29 "solicitors, . . ."



report you sent out a notice and the club did  
not ask for a hearing and you cancelled the

A. There had been a conviction in

THE COMMISSIONER: Q. You sent a notice

and saying the charter would be cancelled on

A. On the basis of the club --

"... your club was convicted of

"... a breach of the law

"... and the club was

"... and the club was

And the charter would be cancelled on that ground

in the club's case.

A. This is the way I interpreted

of the conviction. Mr. Harty suggested to

you as soon as you heard of the report --

I beg your pardon. Was there something in

the report which was a violation

of the law? I am not sure.

and find it quite easily.

"... the charges against the club

"accused men were withdrawn at the

"request of the Crown Attorney and

"a plea of guilty entered on behalf

"of the Sorority Club by the club's

"... and the club was





1 THE COMMISSIONER: I see.

2 A. Convicted on October 21, 1960.

3 MR. ESTEY: A fine of \$200.

4 Q. Finally, on this branch of the  
5 inquiry, Mr. Gudney, the Porcupine Social  
6 Club.

7 THE COMMISSIONER: Just a moment.

8 So I may just have some conception, Mr.  
9 Estey, of what you are trying to make out in  
10 bringing out this evidence with respect to  
11 the Sorauren Club, is it that the club changed  
12 hands? Is that what you have in mind?

13 MR. ESTEY: Yes, Mr. Commissioner. There  
14 is a fixed pattern running through all these  
15 clubs. The clubs fall into disuse, they  
16 become dormant, they do not file returns;  
17 suddenly, a wave of returns come in, a new  
18 band takes over, the police file a report, the  
19 report gives all this in detail, as to how  
20 a transfer was effected - sometimes we get  
21 the purchase price of the club, sometimes we  
22 do not; in the Sorauren there was no mention of  
23 any consideration - and the police watch it  
24 more thoroughly and the police convict it,  
25 or someone, for gambling; and this pattern  
26 repeats and repeats. In the case of the  
27 Sorauren Club the arrears are not as dramatic  
28 but my submission will be that all these  
29 could have been cancelled for forfeiture rather  
30





THE CHAIRMAN: I will.

A. Convicted on October 11, 1933.

MR. KATZ: A fine of \$200.

Q. Finally, on this branch of the

matter, I am going to ask you to

state.

THE CHAIRMAN: I will.

So I may have some conception, Mr.

Katz, of what you are trying to make out in

bringing out this evidence with respect to

the Government Clinic, is it that the clinic changed

hands? Is that what you have in mind?

MR. KATZ: Yes, Mr. Chairman.

is a fixed pattern running through all these

cases. The clinic will not change.

become dormant, they do not file reports;

suddenly, a wave of reports come in, a new

band takes over; the police file a report; the

report gives all this in detail, as we have

a transition was effected - sometimes we get

the purchase price of the clinic, sometimes we

do not; in the Government there was no mention of

any consideration - and the police when it

came thoroughly and the police convicted it,

or someone, for getting; and this pattern

repeats and repeats. In the case of the

Government Clinic the reports are not as dramatic

but my examination will be that all these

could have been cancelled for technical reasons.



1 than playing it out to the end when there is  
2 a conviction for gambling.

3 THE COMMISSIONER: The returns subsequent  
4 to 1954, I understood they were made regularly  
5 year after year - that is, none of them came  
6 in in a bundle. We have two bundles; one in  
7 1951 and one in 1954, but thereafter the  
8 returns came in regularly.

9 A. Yes, they did.

10 MR. ESTEY: They came in the same  
11 calendar year.

12 THE COMMISSIONER: Q. They came in --

13 A. Year by year, yes, my lord.

14 MR. ESTEY: Q. There is certainly no  
15 suggestion that they had not come in before  
16 June the 30th. You would almost be suspicious  
17 if you found them filed before June the 30th?

18 A. We get quite a few before June  
19 the 30th and a number later.

20 THE COMMISSIONER: Q. Is that all  
21 about Sorauren?

22 MR. ESTEY: That is all about Sorauren,  
23 Mr. Commissioner.

24 Q. Very briefly, now, the Porcupine  
25 Social Club. That has been touched upon and  
26 also is referred to in the Hamilton police  
27 report which was filed with the Commission.

28 In the brief it is Appendix --

29 MR. WILSON:, J 5, 6, 20.  
30



when playing it out to the end when there is

a number of...

The...

to 1991, I understood they were made regularly

year after year - that is, none of them came

in to a bundle. We have two bundles; one in

1991 and one in 1992, but character and

...

A. Yes, and...

...

...

THE COMMISSIONER: A. They came in --

A. Yes, by year, yes, my lord.

MR. JUSTICE: A. There is certainly no

objection that they had not come in before

the 30th. You would almost be suspicious

if you found them filed before the 30th.

A. We got quite a few before that

...

THE COMMISSIONER: A. Is that all

...

MR. JUSTICE: That is all about it, is it?

MR. COMMISSIONER.

A. Yes, my lord, that is all.

Special slip. That has been formed upon and

also is referred to in the Hamilton police

report which was filed with the Commission.

In the order is appended --

...





1 THE COMMISSIONER: You do not know what  
2 page in the brief?

3 MR. WILSON: I do not think it is in  
4 the brief. I think it is just J 5, 6, 20.

5 MR. ESTEY: No, that is right.

6 Q. Mr. Cudney, this is not unlike  
7 the Tisdale Club pattern, the northern club  
8 moving south?

9 A. Yes.

10 Q. And being mixed up with gambling.  
11 Incorporated back in 1924. This one, its  
12 objects, according to my notes, to better  
13 social conditions in the Town of Timmins.

14 A. That is correct.

15 Q. Then, this one seems to have --  
16 I am not sure of these years. There seems  
17 to be a wave of annual returns. I am not sure.  
18 Perhaps you could tell me, during the 30's  
19 did they all come in at the one time, 22, 32,  
20 33, and so on, to 39? I think you will find --

21 A. Yes, there were a number filed  
22 in '32.

23 Q. All right.

24 THE COMMISSIONER: Q. Just tell me  
25 about them. What years?

26 A. They incorporated, my lord, --

27 Q. 1924.

28 A. In 1929, and all the returns  
29 from incorporation to '32 all came in in 1932,  
30



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THE CHAIRMAN: Now do not know what

MR. WILSON: I do not think it is in

the water. I think it is just a S. G. 20.

MR. LATTIN: No, that is right.

Q. Mr. Ordway, what is not unlike

the Madale Club pattern, the northern club

A. Yes.

Incorporated back in 1904. This one, its

object, according to my notes, to better

social conditions in the town of Winton.

A. That is correct.

Q. Then, this one seems to have --

I am not sure of these years. There seems

to be a wave of annual returns. I am not sure.

Perhaps you could tell me, during the 30's

did they all come in at the same time, 22, 23,

24, and so on, to 27? I think you will find --

A. Yes, there were a number filed

in '22.

THE CHAIRMAN: Q. That tells me

A. They incorporated, my friend, --

A. In 1902, and all the returns

from incorporation to '22 all came in in 1922.





1 my lord.

2 Q. All right.

3 MR. ESTEY: Q. Then, in 1954 did you  
4 receive five annual returns, and I think on  
5 most of them, if not all of them, is there a  
6 notation of no operations?

7 A. In 1954, you say, Mr. Estey?

8 Q. March 22, 1954, for the years '44,  
9 '45 --

10 THE COMMISSIONER: What happened from '32  
11 to '44?

12 MR. ESTEY: They seem to be in order,  
13 Mr. Commissioner.

14 THE COMMISSIONER: All right.

15 Then, what happened with respect to the  
16 returns in 1944?

17 MR. ESTEY: Q. Mr. Gudney, my records  
18 indicate, for some strange reason, there are  
19 gaps in the 40's and they are all picked up in  
20 a filing made on the 22nd of March, 1954.

21 A. March 22.

22 Q. '54?

23 A. '54.

24 Q. And they pick up the returns for  
25 '44, '45, '48, '49 and '50?

26 A. Yes, on March 22, 1954, they  
27 enclose '44, '45, '48, '49 and '50.

28 Q. On April the 7th, 1955, you  
29 received a letter from the club, or its  
30





...and the

• 11111111 1111 •

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

no right I see, except for him and his lover

most of them, it does all of them, as there is

negotiation of, no objection

.A .UI .EEL ,YOL YBB ,M .TAM

-- 24 --

1. 1. 1.

[illegible]

THE END OF THE WORLD

DATE: 10/10/1964

Indicative, for some relative reason, that the

in the past 10 years and they are all protected up to

SECRET

2461 . 9

الحمد لله

And they plot to the mountains too

1901 1902 1903 1904 1905

1. Yes, on March 25, 1964, they

1000 999 998 997 996 995 994 993 992 991 990 989 988 987 986 985 984 983 982 981 980 979 978 977 976 975 974 973 972 971 970 969 968 967 966 965 964 963 962 961 960 959 958 957 956 955 954 953 952 951 950 949 948 947 946 945 944 943 942 941 940 939 938 937 936 935 934 933 932 931 930 929 928 927 926 925 924 923 922 921 920 919 918 917 916 915 914 913 912 911 910 909 908 907 906 905 904 903 902 901 900 899 898 897 896 895 894 893 892 891 890 889 888 887 886 885 884 883 882 881 880 879 878 877 876 875 874 873 872 871 870 869 868 867 866 865 864 863 862 861 860 859 858 857 856 855 854 853 852 851 850 849 848 847 846 845 844 843 842 841 840 839 838 837 836 835 834 833 832 831 830 829 828 827 826 825 824 823 822 821 820 819 818 817 816 815 814 813 812 811 810 809 808 807 806 805 804 803 802 801 800 799 798 797 796 795 794 793 792 791 790 789 788 787 786 785 784 783 782 781 780 779 778 777 776 775 774 773 772 771 770 769 768 767 766 765 764 763 762 761 760 759 758 757 756 755 754 753 752 751 750 749 748 747 746 745 744 743 742 741 740 739 738 737 736 735 734 733 732 731 730 729 728 727 726 725 724 723 722 721 720 719 718 717 716 715 714 713 712 711 710 709 708 707 706 705 704 703 702 701 700 699 698 697 696 695 694 693 692 691 690 689 688 687 686 685 684 683 682 681 680 679 678 677 676 675 674 673 672 671 670 669 668 667 666 665 664 663 662 661 660 659 658 657 656 655 654 653 652 651 650 649 648 647 646 645 644 643 642 641 640 639 638 637 636 635 634 633 632 631 630 629 628 627 626 625 624 623 622 621 620 619 618 617 616 615 614 613 612 611 610 609 608 607 606 605 604 603 602 601 600 599 598 597 596 595 594 593 592 591 590 589 588 587 586 585 584 583 582 581 580 579 578 577 576 575 574 573 572 571 570 569 568 567 566 565 564 563 562 561 560 559 558 557 556 555 554 553 552 551 550 549 548 547 546 545 544 543 542 541 540 539 538 537 536 535 534 533 532 531 530 529 528 527 526 525 524 523 522 521 520 519 518 517 516 515 514 513 512 511 510 509 508 507 506 505 504 503 502 501 500 499 498 497 496 495 494 493 492 491 490 489 488 487 486 485 484 483 482 481 480 479 478 477 476 475 474 473 472 471 470 469 468 467 466 465 464 463 462 461 460 459 458 457 456 455 454 453 452 451 450 449 448 447 446 445 444 443 442 441 440 439 438 437 436 435 434 433 432 431 430 429 428 427 426 425 424 423 422 421 420 419 418 417 416 415 414 413 412 411 410 409 408 407 406 405 404 403 402 401 400 399 398 397 396 395 394 393 392 391 390 389 388 387 386 385 384 383 382 381 380 379 378 377 376 375 374 373 372 371 370 369 368 367 366 365 364 363 362 361 360 359 358 357 356 355 354 353 352 351 350 349 348 347 346 345 344 343 342 341 340 339 338 337 336 335 334 333 332 331 330 329 328 327 326 325 324 323 322 321 320 319 318 317 316 315 314 313 312 311 310 309 308 307 306 305 304 303 302 301 300 299 298 297 296 295 294 293 292 291 290 289 288 287 286 285 284 283 282 281 280 279 278 277 276 275 274 273 272 271 270 269 268 267 266 265 264 263 262 261 260 259 258 257 256 255 254 253 252 251 250 249 248 247 246 245 244 243 242 241 240 239 238 237 236 235 234 233 232 231 230 229 228 227 226 225 224 223 222 221 220 219 218 217 216 215 214 213 212 211 210 209 208 207 206 205 204 203 202 201 200 199 198 197 196 195 194 193 192 191 190 189 188 187 186 185 184 183 182 181 180 179 178 177 176 175 174 173 172 171 170 169 168 167 166 165 164 163 162 161 160 159 158 157 156 155 154 153 152 151 150 149 148 147 146 145 144 143 142 141 140 139 138 137 136 135 134 133 132 131 130 129 128 127 126 125 124 123 122 121 120 119 118 117 116 115 114 113 112 111 110 109 108 107 106 105 104 103 102 101 100 99 98 97 96 95 94 93 92 91 90 89 88 87 86 85 84 83 82 81 80 79 78 77 76 75 74 73 72 71 70 69 68 67 66 65 64 63 62 61 60 59 58 57 56 55 54 53 52 51 50 49 48 47 46 45 44 43 42 41 40 39 38 37 36 35 34 33 32 31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1 0



1 representatives, informing you the club was  
2 re-opening its operations at that time. Was  
3 there any application for revival made at that  
4 time, Mr. Cudney?

5 A. No, there doesn't appear to be.

6 Q. Then, you have a letter from the  
7 Provincial Police in February, 1958, reporting  
8 convictions and recommending cancellation.

9 That is February the 14th, 1958.

10 THE COMMISSIONER: What police?

11 MR. ESTEY: Ontario Provincial Police,  
12 Mr. Commissioner.

13 A. There is a letter of February  
14 19th, 1958; that would be the one.

15 Q. It might be my writing is not  
16 very clear.

17 A. Yes.

18 THE COMMISSIONER: Q. Report from the  
19 O.P.P. of convictions of whom?

20 A. It's just a short letter, my lord.  
21 May I read it?

22 A. Yes.

23 A. It is from Sergeant J.M. Anderson,  
24 addressed to myself:

25 " As this Charter was being used  
26 "in the City of Hamilton in connection  
27 "with premises suspected of being a  
28 "Common Gaming House, I felt that it  
29 "would assist the Crown if it could be  
30



representatives, informing you the day was

re-opening its operations at this time. Was

there any application for revival made at that

time, Mr. Gadsden?

A. Yes, there was.

Q. Then, you have a letter from the

revivalists dated January 1, 1923, containing

convictions and recommending cancellation.

What is February and March, 1923?

Q. That is the time when the

Commissioner, Mr. Gadsden, was

Commissioner.

A. There is a letter of February

1923, that would be the one.

Q. It might be my witness is not

that.

A. Yes.

Q. The Commissioner, Mr. Gadsden, from the

G.P.P. of convictions of which

A. The first is a letter, my lord.

Why I read it?

A. Yes.

A. It is from Sergeant J. M. Anderson,

addressed to myself.

"As this Chapter was being read

"in the City of London in connection

"with business suggested of being a

"Common Gaming House, I felt that it

"would assist the Crown if it could be





1 "proven that the said Club was not  
2 "a bona fide Branch of the Parent  
3 "Club in Timmins. However, from  
4 "the evidence submitted to the  
5 "Court, Magistrate B. Hopkins  
6 "registered a conviction against  
7 "three accused charged under Section  
8 "176(1) of the Criminal Code and each  
9 "was sentenced to a gaol term.

10 " A memorandum will be forwarded  
11 "to Mr. E.V. McNeill, Commissioner  
12 "of Police for Ontario, informing him  
13 "of the results so that a request  
14 "for cancellation of said Charter  
15 "can be made . . . "

16  
17 Q. Three persons convicted at what  
18 was said to be a branch of the club in Hamilton?

19 A. Yes. I had been in correspondence  
20 with Sergeant Anderson on this previous to  
21 this, my lord. This was in reply to a letter  
22 which I have on inquiry. Perhaps he had --  
23 I forget whether he started it or I did.

24 MR. ESTEY: Q. In any event he observed  
25 that the club was operating in Hamilton. The  
26 charter limits it to Timmins?

27 A. To Timmins.

28 Q. You received that in February,  
29 1958, and what action did you take with respect  
30 to that report?



"can be made . . ."





1 A. I asked Sergeant Anderson to  
2 give me a certified copy of the conviction,  
3 which we always require. He replied giving  
4 me -- No, he said an appeal against the con-  
5 viction had been entered. Then, we had --  
6 Pardon me, that was in March 6, 1958, that  
7 he advised me of the appeal. Then, I wrote  
8 to the club. The next is on September 26,  
9 1958. I said:

10 " It has been brought to our  
11 "attention that your Club is operating  
12 "a branch in the City of Hamilton.  
13 "The objects of your Club read as  
14 "follows: 'To better the social  
15 "conditions in the said Town of  
16 "Timmins'".

17 Q. What is the date of that?

18 A. September 26, 1958. I go on to  
19 say:

20 " It is difficult to see how  
21 "the operation of a branch in  
22 "Hamilton would better social con-  
23 "ditions in the Town of Timmins.  
24 "Accordingly, it appears that you  
25 "have contravened the provisions  
26 "of your charter and I would advise  
27 "that unless your Hamilton branch  
28 "is discontinued immediately, and  
29 "Order will be issued under Section 325(1)





A: I asked Sergeant Anderson to give me a certified copy of the conviction, which we always receive. He replied giving me -- No, he said an honest against the conviction had been entered. Then, we had -- pardon me, that was in March 6, 1938, this he advised me of the appeal. Then, I wrote to the clerk. The next is on September 20,

"It has been brought to our attention that your club is operating a business in the city of ... following: 'No better the social conditions in the said town of ...'"

Q: What is the date of that?  
A: September 20, 1938. I got on to

"It is desirable to see how 'the operation of a branch in ...' divisions in the town of ... Accordingly, it appears that you have contravened the provisions

"of your charter and I would advise



1 "of The Corporations Act, 1953 to  
2 "cancel the Letters Patent of your  
3 "Club for cause."

4 Q. And they closed the branch down?

5 A. Apparently the branch was --

6 Q. I think you have a letter to the  
7 effect that they were discontinuing the Hamilton  
8 branch?

9 A. Yes.

10 Q. September the 10th, 1957(sic).

11 A. December the 10th, 1957?

12 Q. A letter on your O file of that  
13 date, saying the letter from the parent branch  
14 to the Hamilton branch --

15 A. I wrote the club on September  
16 26th, 1958, and this letter, you say is  
17 December the 7th (sic)?

18 Q. I am asking you: My notes indicate  
19 you have a letter there, in any event, which  
20 cancels the charter?

21 A. Yes, the charter was cancelled.  
22 We had a further police report on December 1,  
23 1958 -- No. All right. Advising of a  
24 conviction of John Simon and two other people  
25 of keeping a common gaming house in Hamilton,  
26 being the premises of the corporation; and  
27 I advised the charter would be cancelled.

28 THE COMMISSIONER: Q. In September --  
29 On September 26th, 1958, you notified the club  
30



"cancel the letterhead of your

"Club for cause."

Q. And they closed the branch about

Q. I think you have a letter to the

A. Yes.

Q. ... saying the letter from the parent branch

to the Hamilton branch --

A. I wrote the one on September

soon, 1958, and this letter, you say is

... (the letter)

Q. I am asking you: My notes indicate

you have a letter there, in any event, when

... (the letter)

A. Yes, and I am sure the letter is

we had a further police report on December 1,

1958 -- No. All right. Advising of a

conviction of John Simon and two other people

of keeping a common gaming house in Hamilton,

being the presence of the corporation; and

I advised the charter would be cancelled.

THE COMMISSIONER: Q. In response --

... (the letter)





1 that unless it closed up its branch in  
2 Hamilton that the charter would be cancelled?

3 A. That is right, my lord.

4 Q. What was the next thing that  
5 happened?

6 A. Then, I wrote to the Chief of  
7 Police on September 26th, 1958, in Hamilton:

8 " It has been brought to our  
9 "attention the club has contacted . . ."

10 Q. All right, you wrote the Chief  
11 of Police. What was the next thing that  
12 happened so far as the club is concerned?  
13 What it did or did not do? Did it close the  
14 branch up?

15 A. There is no indication on the file  
16 here, my lord. The next thing on the file  
17 is a letter, November 13, 1958, from Commissioner  
18 Clark, advising of a conviction on the club  
19 premises.

20 Q. A conviction of what date?

21 A. A conviction on February 17, '58.

22 Q. February 17?

23 A. I am sorry. On February --  
24 The conviction was on February 17, '58.

25 Q. That is the one we have heard  
26 about, the three accused?

27 A. What I recall, my lord, from the  
28 file here -- I mean, as I say, the letter  
29 saying if they did not close their branch the  
30



that unless it closed up the branch in

London that the branch would be completely

Q. Now to the next thing that

A. That was the next thing that

A. When I wrote to the United of

It has been brought to my

"According to the club has concerned . . ."

A. His name, you would say

of Police. What was the next thing that

happened so far as the club is concerned?

That it did or did not do? Had it close one

A. There is no indication on the file

here, my Lord. The next thing on the file

is a letter, written to, from, the

Glank, asking of a conviction on the club

A. A conviction or what date?

A. A conviction on February 14, 1932.

A. I am sorry. On February --

The conviction was on February 14, 1932.

Q. That is the one we have heard

A. What I recall, my Lord, from the

file here -- I mean, as I say, the letter





1 charter would be cancelled, and, then, there  
2 is a letter from Commissioner Clark in November,  
3 '58 - that was some two months later.

4 Q. Nine months later.

5 A. It was September, '58, I wrote  
6 them telling them to close.

7 Q. The conviction was back in February?

8 A. Yes. Yes, that is right.

9 Q. And this was in November you  
10 are being told about that?

11 A. Yes, but apparently it was taken  
12 under appeal, according to Sergeant Anderson.

13 Q. I quite understand that.

14 A. Yes.

15 Q. It was appealed in March?

16 A. Yes.

17 Q. And I suppose it would be disposed  
18 of before the summer vacation?

19 A. Yes; yes.

20 Q. That would bring us up to the  
21 end of June?

22 A. Yes.

23 MR. ESTEY: Q. The cancellation was  
24 in January, 1959?

25 A. The cancellation was --

26 Q. January, '59.

27 A. The cancellation was in January  
28 8, '59.

29 Q. So that regardless of the detail  
30





operator would be...  
 is a letter from...  
 '93 - that was some two months later.

A. It was September, '93, I wrote  
 then telling them to close.

Q. The conviction was in February?  
 A. Yes, that is right.  
 Q. And this was in November you

are being told about that?  
 A. Yes, but apparently it was taken  
 I didn't believe that.

A. Yes.  
 Q. It was...  
 A. Yes.  
 Q. And I suppose it would be disposed

of before the summer vacation?  
 A. Yes; yes.  
 Q. There would bring us up to the  
 end of June?

A. Yes.  
 Q. The cancellation was  
 in January, 1904

A. The cancellation was --  
 Q. January, '93.  
 A. The cancellation was in January.

Q. So that regardless of the result



1 of it you had notice from the police on the  
2 19th of February, 1958, and cancellation was  
3 in January, 1959. I notice in the Hamilton  
4 police brief filed with the Royal Commission --

5 THE COMMISSIONER: Just a moment.

6 Q. I am trying to follow you on the  
7 dates. Let us go backwards. Cancellation  
8 on January 8, 1959. On what ground?

9 A. On the grounds of --

10 MR. ESTEY: Q. Violation of letters  
11 patent, according to Appendix J, Mr. Cudney.

12 A. Well, my letter to the club --

13 THE COMMISSIONER: No.

14 A. I would say it is on the basis  
15 of the conviction and also on the basis --  
16 But, in my letter to the club I merely mention  
17 the conviction. It could also be on the  
18 basis of violation but I am merely going by  
19 my letter to the club on December 1st, the  
20 letter of cancellation. I referred to  
21 the conviction and said on that basis we  
22 would cancel the letters patent.

23 THE COMMISSIONER: Mr. Estey, you said  
24 they could have cancelled before, on what  
25 grounds?

26 MR. ESTEY: Well, there seems to me to  
27 be three grounds: One, forfeiture; two,  
28 violation of the express terms of the letters  
29 patent; and, three, convictions.  
30



...in January, 1933, and cancellation was  
 in January, 1933. I notice in the Hamilton  
 Police Court files that the same cancellation  
 was made.

Q. I am trying to follow you on the  
 dates. Let me go back now. Cancellation  
 on January 8, 1933. On what grounds?

A. Well, my letter to the club --  
 was, I think, on January 11, 1933.  
 Mr. Lantry: A. Cancellation of January  
 11, 1933.

A. I would say it is on the basis  
 of the conviction and also on the basis --  
 that, in my letter to the club I merely mention  
 the conviction. It could also be on the  
 basis of violation but I am merely going on  
 my letter to the club on December 1st, the  
 letter of cancellation. I referred to  
 the conviction and said on that basis we  
 were going to cancel the membership.

Q. Now, Mr. Lantry, you said  
 they could have cancelled before, on what  
 grounds?

MR. LANTRY: Well, there seems to me to  
 be no ground for cancellation until  
 violation of the express terms of the letters





1 Q. I notice, Mr. Cudney, on your  
2 last document, which I have noted is a letter  
3 of 18th December, 1958, this is right on the  
4 eve of cancellation, you wrote a letter to  
5 the club solicitor informing him of the  
6 cancellation and you gave the reason. The  
7 reason you say is that they had no authority,  
8 in the first instance, to operate a branch  
9 in Hamilton.

10 A. Yes.

11 Q. And in Appendix J you say  
12 violation of letters patent. That was really  
13 the reason for the cancellation.

14 A. I would say it was a combination  
15 of three grounds.

16 THE COMMISSIONER: Q. There is a  
17 conflict that stands out, I think. It is a  
18 fact they opened a branch in Hamilton?

19 A. Yes.

20 Q. But in September you notified them  
21 if they did not close the branch up the charter  
22 would be cancelled?

23 A. Yes.

24 Q. Yes?

25 A. Yes.

26 Q. In other words, in September you  
27 were not saying to them, "Now, you opened a  
28 branch; therefore, I am cancelling the charter?"  
29

30 A. No.



A. I believe, yes, I believe, I believe.

last document, which I have noted in a letter of 10th December, 1958, this is right on the eve of cancellation, you wrote a letter to the club secretary informing him on the cancellation and you gave the reason. The reason you say is that they had no authority, in the first instance, to operate a branch in Hamilton.

A. Yes.

Q. And in Appendix 2 you say

violation of letters patent. That was really the reason for the cancellation.

A. I would say it was a combination

of three grounds.

Q. Now, I think, it is a conflict that stands out, I think, it is a fact they opened a branch in Hamilton?

A. Yes.

Q. But in September you notified them

if they did not close the branch up the branch would be cancelled?

A. Yes.

Q. Yes?

A. Yes.

Q. In other words, in September you

were not saying to them, "Now, you opened a

branch; therefore, I am cancelling the branch."

A. No.





1 Q. No. As of the date when you  
2 told them you would cancel the charter unless  
3 they moved there was a record of a conviction?

4 A. There was -- Yes. Yes.

5 Q. And in December you notified them  
6 that the charter would be cancelled on two  
7 grounds: One, a conviction and the other  
8 violation of the terms of the charter?

9 A. No. In my letter of December the  
10 1st to the club, my cancellation letter, my  
11 lord, I referred merely to the conviction.

12 Q. Well, that would be consistent  
13 with what you were saying in September?

14 A. Yes.

15 Q. In other words, you are saying  
16 in September, "I am not going to cancel your  
17 charter because you opened the branch, provided  
18 you close it up"?

19 A. Yes.

20 Q. In December you are saying, "Now,  
21 I am going to cancel your charter because of  
22 the conviction"?

23 A. Yes.

24 Q. Well, that is consistent.

25 A. Yes. I would say, my lord, the  
26 reason in September, although there were some  
27 others, two or three others, that had branches  
28 at that time where we asked them to close,  
29 but I would say why we did not cancel it in  
30





Q. Now, as of the date when you

left and you were not a member of the club?

A. They moved there was a record of a conviction?

Q. That is all right, yes.

A. And it was not the conviction that

was the conviction that was recorded in the

conviction that was recorded in the

violation of the terms of the contract?

A. No. In my letter of December the

let to the club, my cancellation letter, my

letter, I referred only to the conviction.

Q. Well, that would be consistent

with what you were saying in September?

A. Yes.

Q. In other words, you are saying

in September, "I am not going to cancel your

membership because of the conviction, but

not close it up?"

A. Yes.

Q. In December you are saying, "Now,

I am going to cancel your membership because of

the conviction?"

A. Yes.

Q. Well, that is consistent.

A. Yes. I would say, my lord, the

reason in September, although there were some

others, two or three others, that had convictions

at that time when he asked them to close,

but I would say why we did not cancel it in



1 September, because there was a conviction --  
2 on the conviction because it was under appeal.

3 Q. You do not know whether the  
4 appeal had been disposed of by September?

5 A. No; no, I don't.

6 MR. ESTEY: Q. Mr. Cudney, the Hamilton  
7 police have filed a report with the Royal  
8 Commission on this and in the report they say:

9 " Information obtained from  
10 "this investigation statements from  
11 "the above men along with the  
12 "police records of the operations,  
13 "employees and members were turned  
14 "over to the Provincial Secretary,  
15 "Solicitors Department."

16 I cannot find in the file any record of  
17 that. Is that so? They did advise you in  
18 1958 of the Hamilton branch? It goes on to  
19 say the place was operating until September  
20 the 17th.

21 A. September 17, '58?

22 Q. '58. On this date Gasbarrini  
23 and Tony Loschiavo informed the police  
24 this club would cease operation. They list  
25 the members of the club in the Hamilton  
26 branch and the partners are said to be  
27 Daniel Gasbarrini, John Papalia, Sansone,  
28 and so on. I do not find that in your file.

29 A. No, I don't recall that and I  
30



...no on ...





1 don't see anything on the file, Mr. Estey.  
2 There must have been some connection with the  
3 Hamilton police because I wrote to the Chief.

4 Q. You wrote to the Chief. I was  
5 going to ask you that. That being so, this  
6 club having no corporate power to operate  
7 except in Timmins, and faced with the serious  
8 police report of February 19, 1958, why was  
9 that club not cancelled out on the first notice  
10 of that violation of the letters patent?

11 A. Well, that I can't say. I don't  
12 recall, Mr. Estey. I do recall there were  
13 some others around that time. One we mentioned  
14 the other day was the Tisdale Club.

15 Q. Yes.

16 A. Where there had been a conviction  
17 in that case. I don't know whether there had  
18 been an infraction there of the letters  
19 patent. I don't think so. I don't think  
20 they were limited. And there was this other  
21 one, the Miner's Club.

22 BB/5  
23 Q. Four illustrations of this branch  
24 operation. We have seen them. The West  
25 End Bridge, Tisdale, Porcupine and the Miner's.

26 A. Around about that time, in  
27 those years, I think it is '57 and '58, my  
28 lord, there was a policy developed that if  
29 the club -- if the branch got into difficulties  
30 the charter would be cancelled unless the branch



don't see anything on the file, Mr. Tracy.

That's all right, Mr. Tracy, I'll be right back.

Tracy: All right, I'll be right back.

Q. You wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

Tracy: Yes, I wrote to the Chief, I see.

A. Well, that I can't say, I don't

recall, Mr. Tracy. I do recall there were

some others around that time. One we mentioned

was a man who was in the office.

Tracy: Yes, I see.

A. Where there had been a conviction

in that case, I don't know whether there had

been an admission there of the letter

sent. I don't think so. I don't think

Tracy: Yes, I see.

Tracy: Yes, I see.

Q. That investigation of the person

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.

Tracy: Yes, I see.





1 was discontinued. I see there is a note  
2 that I discussed, I think it is in the Tisdale  
3 one, with Mr. Dunbar; and apparently that  
4 policy was worked out at that time, and I  
5 think it was rather short-lived.

6 Q. Which policy is that?

7 A. The Tisdale.

8 Q. Yes. We did the Tisdale Club,  
9 did we not?

10 A. Yes.

11 THE COMMISSIONER: At least they treated  
12 them with uniformity.

13 MR. ESTEY: That, perhaps, in summary  
14 will not turn out to be the case. That is a  
15 matter of argument.

16 THE COMMISSIONER: I thought you said  
17 they were all cases of branches and in each  
18 of them the club was notified unless they  
19 closed the branch the charter would be cancelled?

20 MR. ESTEY: I do not know that that  
21 alternative was wavailable in law.

22 THE COMMISSIONER: Yes, that is what  
23 the witness said he did.

24 MR. ESTEY: I say, legally, I do not  
25 think that alternative was open in this case  
26 because letters patent stated in the Town of  
27 Timmins.

28 A. I think this policy I mentioned  
29 was only followed from around 1957 and '58.  
30





Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

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Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it for you.



1 There were three or four cases where this  
2 happened. It was a policy for a short time.

3 MR. ESTEY: Now, Mr. Commissioner, I  
4 would like to change to a different subject.  
5 A different method of organizing these files,  
6 and I think we should be able to move through  
7 these following files, which I have given to  
8 Mr. McCormack, very quickly.

9 The first one is the Atlas Club.

10 THE COMMISSIONER: Who is Mr. McCormack?  
11 Oh, Mr. Cudney's assistant.

12 Yes?

13 MR. ESTEY: The Atlas Club.

14 Q. Do you have that file in front  
15 of you?

16 A. Yes, I have it, Mr. Estey.

17 MR. WILSON: In the brief, 35.

18 THE COMMISSIONER: Are you dealing with  
19 one particular club now or a number all at  
20 the same time?

21 MR. ESTEY: No, I am going to deal with one  
22 at a time, but they all fit in one after the  
23 other.

24 THE COMMISSIONER: All right.

25 This is sort of a new branch?

26 MR. ESTEY: Yes. These have nothing in  
27 common with the movement of charters back and  
28 forth that I have just finished. In this  
29 particular branch I want to find out the mechanics  
30



What was the result of the investigation?

happened. It was a policy for a short time.

MR. HENRY: Now, Mr. Commissioner, I

would like to change to a different subject.

A different method of organizing these files,

and I think we should be able to move through

these following files, which I have given to

you, Mr. Commissioner.

The same one as the Allen Club.

MR. COMMISSIONER: Who is Mr. McGowan?

MR. HENRY: McGowan is a member.

Yes.

MR. HENRY: Yes, Mr. Allen.

Q. Do you have that file in front

of you?

A. Yes, I have it, Mr. Henry.

MR. ALLEN: In the prior, Mr.

MR. COMMISSIONER: Are you dealing with

one particular club now or a number all at

the same time?

MR. HENRY: No, I am going to deal with one

at a time, but they all fit in one after the

other.

MR. COMMISSIONER: All right.

This is part of a new business

MR. HENRY: Yes. There have been a

great deal with the movement of chapters back and

forth that I have just finished. In this

particular branch I want to find out the members





1 of cancellation and the timing of cancellation.

2 Q. Mr. Cudney, on the Atlas Club,  
3 first of all, I notice the date of incorporation  
4 is 1935.

5 A. March 27, 1935.

6 Q. And in passing on, January the  
7 13th, 1948, you received the returns for the  
8 early '1940's, 1942, 3 and 4.

9 A. Yes, we received returns for  
10 '42, '43 and '44 in January, 1948.

11 Q. The covering letters saying the  
12 files and books of the club were unknown and  
13 the last -- times and dates of the last  
14 annual meetings, etc., were also unknown. We  
15 find in this file the first police report,  
16 back in 1943, in your O file, on January 3,  
17 1943.

18 THE COMMISSIONER: What police force?

19 MR. ESTEY: City of Toronto.

20 The letter is from Chief Constable  
21 D.C. Draper.

22 Q. That letter concludes, Mr.  
23 Cudney, I think your files will bear this out:

24 " I earnestly recommend that  
25 "the Charter now held by the Atlas  
26 "Club, 287 Spadina Avenue, be  
27 "cancelled . . ."

28 Signed D.C. Draper, Chief Constable.

29 Is that right?  
30



of cancellation and the status of cancellation.

5. Mr. Conroy, on the other hand,

states that all the records are in the possession

of the

6. Mr. Conroy, on the other hand,

states that all the records are in the possession

of the records, you received the records for the

only, 1940's, 1941, 1942, 1943 and 4.

7. You, we received records from

the records, 1940's, 1941, 1942, 1943 and 4.

8. The covering letters asking for

titles and books of the club were unknown and

the last -- titles and dates of the last

annual meetings, etc., were also unknown. He

find in this file the latest police report,

back in 1943, in your O file, on January 2,

1943.

9. The records, 1940's, 1941, 1942, 1943 and 4.

10. Mr. Conroy, on the other hand,

The letter is from Chief Constable

11. Mr. Conroy, on the other hand,

12. The records, 1940's, 1941, 1942, 1943 and 4.

13. I think your files will bear this out:

14. I correctly recommend that

15. "The Charter, now held by the other

16. "Club, 207 Spadina Avenue, be

17. "cancelled . . .

18. The records, 1940's, 1941, 1942, 1943 and 4.

19. The records, 1940's, 1941, 1942, 1943 and 4.





1 A. Yes. That is dated June the 3rd,  
2 1943.

3 THE COMMISSIONER: Recommending can-  
4 cellation for what reason?

5 MR. ESTEY: Gambling is being carried on  
6 in the premises. Frequented by gamblers and  
7 affords a hangout for criminals. There was a  
8 raid and the police arrested 18 and they  
9 convicted them May 31.

10 THE COMMISSIONER: All right.

11 June 3, 1943?

12 MR. ESTEY: Q. Then, following that  
13 the history of this --

14 A. Pardon me. Was there a con-  
15 viction on that?

16 Q. My summary says they were  
17 convicted on May 31, presumably, '43. That  
18 is in the letter of Chief Draper.

19 A. Yes, you are right. Conviction.

20 Q. And the certificate comes in.  
21 Following the history through, you recommended  
22 to Mr. Blackwell, and this is August the 11th,  
23 1944, you recommended cancellation.

24 THE COMMISSIONER: A year later?

25 MR. ESTEY: A year later.

26 A. The letter from Chief Draper  
27 was addressed to the Attorney-General; it was  
28 not addressed to the Department. Received  
29 at the Attorney-General's office July 28, 1944.  
30



Following the history through, you recommended  
to Mr. Blackwell, and that is what the list  
1944, you recommended cancellation.



1 And there is a letter on August 3, 1944.

2 Q. Just a minute. Just hold on a  
3 minute, Mr. Gudney. Does not your file show  
4 on June 16, 1943, a request for a certified  
5 copy of the conviction?

6 A. June?

7 Q. June, 1943.

8 A. June.

9 Q. It would indicate you had that  
10 police report in June of 1943, wouldn't it?

11 A. June 16, 1943, letter from the  
12 Deputy Minister, June 16, 1943, to D.C. Draper.  
13 Yes. "Please to receive." "I have your  
14 report of the 3rd". Yes, the Department had  
15 the report at that time.

16 THE COMMISSIONER: Q. That letter is  
17 dated what?

18 A. June 16, '43.

19 Q. Yes.

20 A. From Mr. Johns to Chief Draper.

21 MR. ESTEY: Q. Then, we have your  
22 recommendation of August 11, 1944, we have  
23 mentioned. You were of opinion the letters  
24 patent should be cancelled.

25 THE COMMISSIONER: August 11, 1944?

26 MR. ESTEY: Yes, Mr. Commissioner.

27 A. August 11, 1944.

28 Q. Then, there is a ten-year gap,  
29 isn't there, Mr. Gudney?  
30



And there is a letter on August 2, 1944.

Q. Just a minute. Just hold on a

minute, Mr. Cady. Does not your file show

on June 10, 1943, a request for a certified

copy of the conviction?

Q. It would indicate you had that

A. June 10, 1943, letter from the

Yes, "Please to recede." "I have your

report of the 3rd." Yes, the Department had

the report at that time.

THE COMMISSIONER: Q. That letter is

A. From Mr. Jones to Chief Magistrate.

MR. BAKER: Q. Then, we have your

recommendation of August 11, 1944, we have

submitted, you were of opinion the letters

THE COMMISSIONER: August 11, 1944

MR. BAKER: Yes, Mr. Commissioner.

August 11, 1944.

Isn't there, Mr. Cady?





1 THE COMMISSIONER: Q. What happened  
2 to your recommendation?

3 A. This is August 11, 1944, a letter  
4 from myself to Mr. Blackwell:

5 " I refer to your memorandum  
6 "of the 3rd instant."

7 That must have been August 3, 1944.  
8 I review the situation.

9 " In the present instance, I  
10 "am of the opinion that the Letters  
11 "Patent should be cancelled by  
12 "Order-in-Council under subsection  
13 "1 of Section 30 of The Companies  
14 "Act in view of the information  
15 "obtained from the Police and the  
16 "conviction. I might add that,  
17 "personally, I am of the view that  
18 "clubcharters should be cancelled  
19 "where there is grounds to believe  
20 "that gambling is being carried on  
21 "although a conviction has not  
22 "been obtained. While it is  
23 "true that a charter does not  
24 "authorize a club to carry on business,  
25 "yet there would seem to be a  
26 sanction  
27 "certain ~~fixing~~ by the Department  
28 "when a club is operating under a  
29 "charter."

30 MR. ESTEY: Q. What happened as a



Mr. [Name]: What happened on a

"when a club is operating under a

"certain number by the Department

"yet there would seem to be a

"getting a slip to carry on business,

"true that a charter does not

"been obtained. While it is

"although a conviction has not

"that gambling is being carried on

"where there is grounds to believe

"obstacles should be cancelled

"personally, I am of the view that

"conviction. I might add that,

"obtained from the Police and the

"Act in view of the information

"I of Section 30 of the Companies

"[Illegible text]

"Patent should be cancelled by

"am of the opinion that the letters

"[Illegible text]

I review the situation.

That must have been August 3, 1944.

"of the 3rd instance."

"I refer to your memorandum

"[Illegible text]

A. This is August 11, 1944, a letter

"[Illegible text]

"[Illegible text]



1 result of that exchange of letters, if anything?

2 A. There is an acknowledgement from  
3 Mr. Blackwell.

4 THE COMMISSIONER: Q. Dated?

5 A. August 3 -- I am sorry. No,  
6 that was before.

7 Q. You recommended cancellation  
8 on August the 11th?

9 A. On August 11, '44.

10 Q. All right, what did he do about  
11 it?

12 A. There is nothing -- Nothing  
13 happens until -- On the file, my lord, until  
14 '54. I can't say. I don't recall.

15 MR. ESTEY: Q. Then, in '54 you have  
16 a letter from Police Chief Chisholm to yourself,  
17 sending Inspector Walker's report. That  
18 letter to you is dated the 25th of August,  
19 1954?

20 A. Yes.

21 Q. Which I might call the second  
22 police report.

23 A. Yes.

24 THE COMMISSIONER: What date?

25 MR. ESTEY: 25th of August, 1954.

26 Q. And the Chief of Police recommends  
27 cancellation again? In fact, he asks for  
28 cancellation?

29 A. Yes. I concur in the report of  
30





results of that exchange of letters, in connection?

A. There is an acknowledgment from

Mr. [unclear]

THE COMMISSIONER: O. Deedy?

A. August 3 -- I am sorry, No.

Mr. [unclear]

A. [unclear]

Mr. [unclear]

A. On August 11, 1944.

A. All right, what did he do about

Mr. [unclear]

A. There is nothing -- nothing

happens until -- on the 11th, my lord, until

Mr. [unclear] I said that.

MR. DEEDY: O. Then, in '44 you have

a letter from Police Chief Gurnea to yourself,

sending Inspector Willet's report. This

letter to you is dated the 24th of August.

Mr. [unclear]

A. Yes.

O. When I might call the record

will be.

A. Yes.

THE COMMISSIONER: What date?

MR. DEEDY: August 24th.

O. And the Chief of Police [unclear]

connection [unclear] In fact, he said to

Mr. [unclear]

A. Yes. I come in the report of



1 Chief Chisholm and concur in Inspector Walker's  
2 recommendation.

3 THE COMMISSIONER: Q. What did Walker  
4 say?

5 A. This is a report, my lord:

6 "In view of the foregoing  
7 "facts, I would strongly urge that  
8 "representations be made to the  
9 "Provincial Secretary requesting  
10 "the cancellation of the Provincial  
11 "Charter issued to the Atlas Club."

12 Q. On what grounds?

13 MR. ESTEY: I think it is criminal records  
14 of many of the members.

15 Q. Isn't it, Mr. Cudney?

16 A. Criminal records and, also, he  
17 gives a long list of persons frequenting the  
18 club. There must be twenty here with a  
19 number of convictions, records. A suspicion,  
20 generally, of illegal gaming.

21 Q. All right. Now, what action  
22 did you take as a result of receiving that  
23 memorandum -- that letter?

24 A. I apparently referred it to Mr.  
25 A.S. Kingsmill, who was a departmental  
26 solicitor at the time.

27 Q. After that you directed a hearing,  
28 did you not?

29 A. And, then, I wrote to the club  
30



Chief Clerk and consent in Inspector Walker's

Recommendation.

THE COMMISSIONER: Q. What did Walker

A. This is a report, my Lord;

"In view of the foregoing

"I would respectfully recommend

"that the recommendations be made to the

"Honorable Members of the Council

"the cancellation of the franchise

"and the removal of the name of

Q. On what grounds?

MR. WALKER: I think it is criminal negligence

on the part of the Council

A. I think it is, my Lord.

A. I think it is, my Lord.

gives a long list of persons threatening the

land. There must be twenty here with a

number of convictions, records. A violation

generally, of illegal business.

Q. All right. Now, what action

did you take as a result of receiving that

information — the letter?

A. I personally referred it to Mr.

A.C. Kingwell, who was a departmental

collector at the time.

Q. After that you directed a meeting

did you not?

A. And, then, I wrote to the Chief





1 on November 16 and directed a hearing.

2 Q. Then, I think you reported to  
3 the police on January the 10th, 1955, did you  
4 not, as a result of the hearing and found it  
5 not advisable to take any steps to cancel  
6 at the present time?

7 A. Yes. I wrote to Inspector Walker  
8 on January 10, 1955:

9 " I refer to the hearing held  
10 "at this office recently relative  
11 "to the above Club.

12 " After careful consideration of  
13 "the evidence submitted it is not,  
14 "deemed advisable to take any steps  
15 "to cancel the Letters Patent of this  
16 "Club at the present time."

17 Q. Then, the third police report  
18 came in on the 16th March, 1962, I think.  
19 Inspector Kerr.

20 A. 16th March, 1962.

21 Q. He recommends cancellation.

22 A. 16th March, '62. Before that  
23 I had written to Chief Mackey from a newspaper  
24 clipping, noticing there had been a charge,  
25 and asking him to advise me if there was a  
26 conviction. That was on March 6. And, then,  
27 I got the report from the police on March 16.

28 Q. As a result of that police  
29 report, what action did you take?  
30



on November 13 and directed a hearing.

Q. Then, I think you reported to

the police on January the 10th, 1952, did you

not, as a result of the hearing and found it

not advisable to take any steps to cancel

the patent?

A. Yes, I wrote to Inspector Walker

on January 10, 1952:

"I refer to the hearing held

"at this office recently relative

"to the above claim.

"After careful consideration of

"the evidence submitted it is not,

"deemed advisable to take any steps

"to cancel the Patent Rights of this

"claim at the present time."

Q. Now, did you have any further

come in on the 10th March, 1952, I think.

Inspector Walker.

A. 10th March, 1952.

Q. He recommended cancellation.

A. 10th March, '52. Before that

I had written to Mr. Walker, dated 10th March,

stating, noting there had been a change,

and asking him to advise me if there was a

conviction. That was on March 5. And, then,

I got the report from the police on March 13.

Q. As a result of that police

report, did you then take any further





1 A. I wrote to the Provincial  
2 Secretary -- I am sorry. I am just following  
3 my memo. I wrote to the Minister on March  
4 23 advising that we had this report from the  
5 police.

6 Q. And the Minister then directed  
7 you to proceed with the cancellation proceedings  
8 on all grounds disclosed by Chief Mackey on  
9 March 26, did he not?

10 A. Yes, on all grounds. Yes, on  
11 March 26, that is right.

12 Q. Then, can you tell us what  
13 happened after that?

14 A. Then, on March 27 I wrote to  
15 Acting Chief Kerr that I was writing the club  
16 advising that in view of the information contained  
17 in this report a letter would be sent advising  
18 the letters patent would be cancelled. Then,  
19 on March 27 I received a memorandum from --  
20 I wrote a memorandum ~~of~~ to Mr. Lavine, directing --

21 THE COMMISSIONER: Q. What date?

22 A. I wrote a memorandum --

23 Q. What date?

24 A. Oh. March 27, 1962. To Mr.  
25 Lavine, drawing his attention to the report  
26 and asking him to prepare a cancellation  
27 letter. On March 28, I wrote to -- I sent --  
28 Under March 28 I sent a letter to the club  
29 advising that in view of the conviction of  
30





A. I wrote to the Provosts

Secretary -- I am sorry. I am just following

the same. I want to see the Provosts

to advise that we had this report from the

Police.

On March 25, I wrote to the Provosts

on all grounds disclosed by Chief Wherry on

A. Yes, on all grounds. Yes, on

March 25, that is right.

A. Then, can you tell us when

A. Then, on March 25 I wrote to

Acting Chief Wherry that I was writing the story

saying that in view of the information contained

in this report a letter would be sent advising

the letters would be cancelled. When,

on March 25 I received a memorandum from --

I wrote a memorandum to Mr. Lavin, directing --

A. I wrote a memorandum --

A. On March 25, I wrote to Mr.

Lavin, directing his attention to the report

and asking him to prepare a consultation

letter. On March 25, I wrote to -- I sent --

Under March 25 I sent a letter to the Provosts

saying that in view of the conviction of



1 Benjamin Lietman and Benjamin Steinberg of  
2 keeping a common betting house, the charter  
3 would be cancelled for cause in one week unless  
4 cause were shown to the contrary. Then,  
5 I so advised Chief Kerr of my letter and,  
6 then, I received a letter from the club's  
7 solicitors.

8  
9 Q. On what date?

10 A. On April 4, 1962.

11 MR. ESTEY: Q. And they ask you there  
12 to withhold the proceedings because he is  
13 appealing the conviction?

14 A. Yes. Advising there was a  
15 conviction (sic) and to withhold the can-  
16 cellation proceedings.

17 Q. As a result of that you consulted  
18 your Minister, according to the file.

19 A. Yes. I received their letter  
20 April 4 or 5. I wrote the Minister on  
21 April 5, bringing the letter of the solicitors  
22 to the Minister's attention. And to have his  
23 direction in the matter, as to whether we  
24 should proceed.

25 Q. I take it he directed you not  
26 to proceed until the appeal was disposed of  
27 because on the 11th you wrote to the club to  
28 that effect?

29 A. Yes.

30 Q. On April 13 you received from --







1 I do not know when you received it but a  
2 report of April 13th reached you. It originates  
3 with Inspector Thurston.

4 A. Yes.

5 Q. And he asks his superiors to  
6 try and get the charter cancelled regardless  
7 of any decision of the Court of Appeal?

8 A. Yes. That is April 13, 1962,  
9 a letter from Deputy Chief Elliott enclosing  
10 a letter from Inspector H.S. Thurston, and  
11 indicating that there is more than sufficient  
12 grounds for the cancellation of this club  
13 charter regardless of the decision of the  
14 Appeal Court. And asking, in effect, that:

15 "I respectfully suggest  
16 "that a letter be forwarded to  
17 "the Deputy Provincial Secretary,  
18 "requesting him to recheck the  
19 "ground for cancellation for cause, . . ." -  
20 and requesting him to take it up.

21 Q. Was the club operating during  
22 this time?

23 A. I don't know whether it was  
24 operating then but it was operating later so  
25 I guess it was operating then. This was  
26 in April of this year and they were operating  
27 in July.



I do not know when you received it but a

letter from Deputy Chief Elliott enclosing

a letter from Inspector H.B. Thurston, and

ground for the cancellation of this club

charter regardless of the decision of the

Appeal Court. And asking, in effect, that:

that a letter be forwarded to

"The Deputy Provincial Secretary,

"requesting him to revoke the

"ground for cancellation for cause..."

and requesting him to take it up.

Was the club operating during

this time?

A. I don't know whether it was

operating then but it was operating later on

I guess it was operating then. This was

in April of this year and they were operating

in July.





CC/FTP/1

1 Q. Then what happened next?

2 A. Then I wrote a letter to Mr. Lavine,  
3 I received the letter on April 16th. I wrote  
4 Mr. Lavine on April 27th, 1962:

5 "I attach a copy of letter from  
6 "Deputy Chief Elliott relative to the  
7 "above and the attached letter from  
8 "Inspector Thurston. I would appreciate  
9 "it if you would look into the  
10 "report further from the police to  
11 "see if there are any other grounds  
12 "for cancellation apart from the  
13 "conviction."

14 Then there is a letter on April 27th, 1962,  
15 from me to Deputy Chief Elliott:

16 "Dear Mr. Elliott,

17 "I have your letter of April . . . "

18 THE COMMISSIONER: Never mind reading it,  
19 the substance of it.

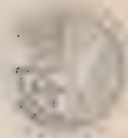
20 A. I say:

21 "I have taken the matter up with my  
22 "Minister . . . " --

23 this is the two last reports --

24 " . . . and the Minister has directed  
25 "that we should not proceed with the  
26 "cancellation until the appeal has  
27 "been disposed of. He is now  
28 "absent for a few holidays and I  
29 "will check into the matter further  
30





1515

There is a copy of the letter from

I received the letter on April 10th. I wrote

Mr. Davies on April 15th, 1902:

"I enclose a copy of letter from

"Deputy Chief Minister relative to the

"above and the suggested letter from

"Is it you would look into the

"for consideration being from the

There is a letter on April 15th, 1902,

from me to Deputy Chief Minister:

Dear Mr. Davies,

"I have your letter of April . . .

THE COMMISSIONER: Never mind sending it,

the substance of it.

I say:

"I have taken the matter up with my

Minister . . .

— This is the two last reports —

. . . and the Minister has decided

"that no action has been taken with the

"cancellation until the report has

"been disposed of. He is now

"waiting for a few more and I

"will check into the matter further



1 "and discuss Inspector Thurston's letter  
2 "with him on his return."

3 MR. ESTEY: Q. Now, I see on the file  
4 you next received a report from Mr. Lavine  
5 of your Department on May 1st, 1962, and that  
6 is in answer to your memorandum asking Mr.  
7 Lavine to see if there are any other grounds  
8 for cancellation. What is his reply?

9 A. May 1st, 1962, he says there  
10 would not seem ---

11 THE COMMISSIONER: This is his reply,  
12 is it?

13 A. Yes.

14 Q. Dated what?

15 A. Dated May 1st, 1962.

16 Q. This is a report from Mr. Lavine  
17 to you?

18 A. Yes, in reply to my memorandum  
19 further sending on the second report of the  
20 police.

21 "It would seem to me that even if  
22 "there are other sufficient grounds  
23 "for cancellation, it would be  
24 "highly prejudicial to the club  
25 "and its officers in respect to the  
26 "charges if the charter were  
27 "cancelled before the appeal was  
28 "disposed of.

29 "In this connection I would  
30



"which him on his part."

Mr. Mitty: "Now, I see on the 11th  
 you had received a report from Mr. Maitland  
 of your informant on May 1st, 1905, and that  
 is in answer to your memorandum dated May 1st,  
 having to do with the fact that there are any other friends  
 of the committee. Now, in his reply  
 Mr. Maitland, May 1st, 1905, he says there

THE COMMISSIONER: This is his reply,

in reply

- A. Yes.
- B. Based what?
- A. Based May 1st, 1905.
- B. There is a report from Mr. Maitland

to you?

A. Yes, in reply to my memorandum  
 dated May 1st on the second report of the

"It would seem to me that even if  
 there are other qualified persons  
 for cancellation, it would be  
 highly prejudicial to the cause  
 and the officers in respect to the  
 charges if the charges were  
 cancelled before the appeal was  
 disposed of.

"In this connection I would





1 "refer, for example, to the New Canadian  
2 "Social Club where the Department waited  
3 "the results of the appeal which, as  
4 "you know, quashed the conviction.  
5 "As to whether there are other  
6 "sufficient grounds, I have again  
7 "read the report of March 15th, 1962,  
8 "of Inspector Thurston and, while  
9 "he makes a number of charges, for  
10 "example that there are certain  
11 "false statements in the annual  
12 "returns, I doubt that there would  
13 "be evidence to prove that the  
14 "persons who made the returns knew  
15 "them to be false.

16 "Much of the other charges  
17 "relates to evidence with respect  
18 "to illegal gaming, and this is  
19 "the substance of the conviction  
20 "which is now being appealed."

21 Q. You are Deputy Minister?

22 A. Yes.

23 Q. What position does Mr. Lavine  
24 occupy?

25 A. He is Director of Companies.

26 MR. ESTEY: And he reports to you?

27 A. Yes.

28 Q. Now, did you adopt this recommen-  
29 dation from Mr. Lavine and, if so, why?  
30



...the ... of the ...

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...the ... of the ...

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...the ... of the ...

A. Yes.

C. ...

A. ...

A. ...

A. Yes.

...the ... of the ...

...the ... of the ...



1 A. No, I wrote to Mr. Yaremko on May 2nd:

2 "I am in receipt of a letter  
3 "from Deputy Chief Elliott of Metro  
4 "Toronto Police attaching a report  
5 "of Inspector Thurston relative to  
6 "the above club."

7 That was the second report.

8 THE COMMISSIONER: This is May 2nd you  
9 are writing?

10 A. May 2nd to the Minister, Mr.  
11 Yaremko, relative to the above club, and  
12 asking whether we re-check the grounds for  
13 cancellation for cause with a view to  
14 cancelling the charter.

15 "I am attaching the correspondence  
16 "and the file and would like to  
17 "discuss the matter with you upon  
18 "your return."

19 Then I wrote a letter to Mr. Yaremko.

20 Then I discussed the matter ---

21 MR. ESTEY: Q. You say you wrote that  
22 memo to the Minister?

23 A. To the Minister, yes.

24 Q. What was the reply?

25 A. Well, there is no reply, but  
26 apparently I discussed the matter with him in  
27 his office. I do remember that occasion  
28 because there is some pencilled notes on here,  
29 "Write Mackey, Atlas", and these are notes I  
30





A. No, I wrote to Mr. Yarnall on May 1st.

"I am in receipt of a letter."

"From Deputy Chief Nisbett or someone."

"Toronto Police attaching a report."

"of Inspector Thomson relative to."

"the same case."

"That was the second report."

"THE COMMISSIONER: Yes, it is and you."

"are willing?"

"May I go to the Minister, Mr."

"Yarnall, relative to the above case, and"

"asking whether we re-check the group for."

"transmission of same with a view to."

"transmission to the."

"I am attending the correspondence."

"and the file and would like to"

"know the matter with you soon."

"Thank you."

"When I wrote a letter to Mr. Yarnall."

"Then I also received the letter --"

"and I am now in receipt of the letter."

"and to the Minister."

"A. To the Minister, yes."

"What was the reply."

"A. Well, there is no reply, but"

"separately I discussed the matter with him in"

"his office. I do remember that occasion."

"because there is some pencilled notes on him."

"White Key, A-133", and there are notes I"



1 made from my Minister's direction.

2 Q. Then you do recollect the memo on  
3 the file?

4 A. Then I wrote to Mackey on May 29th,  
5 1962, and I say ---

6 Q. The effect of it is you ask if the  
7 club is still operating, is it?

8 A. Yes.

9 "I referred the matter to our Minister.

10 "I would advise that we will hold up

11 "the matter of cancellation pending

12 "the appeal, but whatever way the

13 "appeal is disposed of we will

14 "reconsider the matter and the

15 "original report and proceed with

16 "a hearing to determine whether

17 "there is in fact some other cause."

18 THE COMMISSIONER: What date is that?

19 A. That was May 29th, 1962, my lord.

20 Then I end up by saying:

21 "I would appreciate your advice as

22 "to whether the club is in fact

23 "operating."

24 It was advising Chief Mackey that we would --  
25 the matter had been taken up and that we would  
26 not go ahead with the cancellation pending  
27 the appeal, but the hearing would be held  
28 when the appeal had been disposed of, and  
29 enquiring in the meantime if the club was in  
30



were from my Minister's direction.

Q. Then you do not believe the memo on

the 11th?

A. Then I wrote to Mackay on May 23rd,

1962, and I say ---

Q. The effect of it is you are in the

club as well operating, is it?

A. Yes.

"I returned the matter to our Minister.

"I would advise that we will hold up

the matter of the appeal pending

"the appeal, but whatever way the

"appeal is disposed of we will

proceed with the matter and the

"original report and proceed with

"the matter as it is at present.

"There is in fact some other cause."

THE COMMISSIONER: What date is that?

A. That was May 23rd, 1962, my lord.

Then I end up by saying:

"I would appreciate your advice as

"to whether the club is in fact

It was advised that Mackay that we would --

the matter had been taken up and that we would

not go ahead with the cancellation pending

the appeal, but the hearing would be held

when the appeal had been disposed of, and

operating in the meantime if the club was in





1 fact operating.

2 MR. ESTEY: Q. And this surely was to  
3 ascertain what other grounds were available in  
4 addition to the fact of the conviction?

5 A. That is right.

6 Q. Then Inspector Thurston reported  
7 to you through Chief Mackey?

8 A. Yes.

9 Q. I think his covering letter is dated  
10 8th of June, 1962?

11 A. That is correct.

12 Q. The effect of it was that the  
13 gambling was continuing?

14 A. That the club is in fact operating,  
15 yes, and that gambling is ---

16 Q. Inspector Thurston names some of  
17 the gamblers present -- Rocco Papalia, LeBarre?

18 A. Yes, he names ---

19 Q. Then what happens next? Perhaps  
20 we could save time. Ultimately after your  
21 inter-departmental conversation, you wrote a  
22 letter to the ---

23 A. Yes, I referred it to Mr. Lavine.

24 Q. And then you wrote the club?

25 A. I spoke to Mr. Yaremko and  
26 he instructed me to write the club's solicitor  
27 advising that unless the club ceased to  
28 operate pending the appeal of the conviction,  
29 with  
30 we would continue the cancellation of the



last operating.

MR. EATON: And this party was to

suggest that other group was available in

addition to the fact of the conviction?

A. Yes, sir.

Q. Now, the group that was available

at that time, was it?

A. Yes.

Q. I think his covering letter in fact

was of June, 1967?

A. Yes, sir.

Q. The effect of it was that the

group was available?

A. That the club is in fact operating.

Q. And the group was available?

A. Reporter Thompson names some of

the names of the group, doesn't he?

A. Yes, he names --

Q. And the group was available?

A. We could have them, ultimately after your

inter-governmental conversation, you would be

subject to the --

A. Yes, I referred to some, I believe.

Q. And then you wrote the group?

A. I spoke to Mr. Karam and

he instructed me to write the club's position

stating that unless the club ceased to

operate pending the appeal of the conviction,





1 charter. That was a result. It was not on this  
2 file but it is one of these other two clubs,  
3 that he asked me to write the Attorney  
4 General's Department as to whether we could  
5 ask the club to close up.

6 Q. Which you told us about before?

7 A. Yes.

8 Q. Mr. Silk phoned you and said  
9 that you could?

10 A. That is right.

11 Q. Then what happened on this file  
12 following that? That was on July 25th you  
13 wrote the club, was it not?

14 A. July 25th I wrote the club and  
15 I said that ---

16 Q. Well, we had the sense of that.  
17 What happened next?

18 A. I sent a copy of that to Chief  
19 Mackey, copy of the letter of the 25th, and  
20 then on August 3rd I received a further  
21 letter from Chief Mackey attaching a report  
22 from Sergeant Pilkington, Morality Bureau,  
23 and Chief Mackey says:

24 "In view of the circumstances  
25 "outlined therein and the report . . . " --  
26 He strongly recommends the charter be cancelled  
27 and he refers -- then in Sergeant Pilkington's  
28 report apparently he alleges that gambling  
29 is still going on on the premises and also that  
30





... that was a result. It was not on this

... but it is one of these other two cases,

... as to whether he could

... and the club to close up.

Q. When you told me about that?

A. Yes.

Q. Mr. Gill phoned you and said

A. ...

Q. Then what happened on this line

... the same day?

... the same day?

A. July 24th I wrote the club and

I said that --

Q. Well, we had the same of that.

... the same of that.

A. I sent a copy of that to Chief

... copy of the letter on the 24th, and

... then on August 3rd I received a letter

... from the club on August 3rd.

... from the club on August 3rd.

and Chief McCarty says:

... in view of the circumstances

"... the report ..."

... is strongly recommended the chapter be cancelled

... and he returns -- then in August 1934

... in August 1934

... is still being on on the premises and also that



1 the club did not close up immediately after the  
2 letter of July 25th.

3 THE COMMISSIONER: Well, when was this  
4 conviction with respect to which the appeal  
5 was pending?

6 MR. ESTEY: It was in March, 1962, wasn't  
7 it, Mr. Cudney, conviction of Benjamin Leitman?

8 A. Benjamin Steinberg and Benjamin  
9 Leitman, yes, in March -- conviction on  
10 March 5th, 1962.

11 THE COMMISSIONER: March what?

12 A. March 5th, 1962, my lord.

13 Q. Benjamin Leitman and who else?

14 A. Benjamin Leitman and Benjamin  
15 Steinberg.

16 Q. That was in August. Anything  
17 happen from then till now? What is the  
18 present status?

19 A. No, there is a bit more, my lord.  
20 I wrote the club, we read, on July 25th, and  
21 then I received a letter from Chief Mackey  
22 on August 3rd advising that the club had not  
23 closed immediately and also that the gaming  
24 had continued.

25 MR. ESTEY: Q. Yes, you told us of that?

26 A. Yes, then I wrote to Mr. Yarenko  
27 on August 16th when I returned from holidays  
28 and enclosed Chief Mackey's report and said  
29 I would like to discuss the matter with him.  
30



THE COMMISSIONER: Well, when was this

conviction with respect to which the report

was made?

MR. WATKINS: It was in March, 1902, when

Mr. Gurney, Director of Non-Resident

Immigration, was in New York

and was in the city at that time.

That is true.

THE COMMISSIONER: Which day?

MR. WATKINS: I think it was

Monday, March 18th, 1902.

MR. WATKINS: Benjamin Nelson and Benjamin

Wasserman.

MR. WATKINS: That was the answer, Benjamin

Wasserman, was then with him?

THE COMMISSIONER: Yes.

MR. WATKINS: No, there is a bit more, my lord.

I think it was on the 18th of March, 1902.

When I received a letter from Chief Justice

on August 2nd advising that the case had not

closed immediately and also that the hearing

was postponed.

MR. WATKINS: Yes, you told me of that?

MR. WATKINS: Yes, then I wrote to Mr. Watkins

on August 12th when I returned from London

and enclosed Chief Justice's report and said

I would like to discuss the matter with him.





1 Then I wrote to Mr. Margolian, Departmental  
2 Solicitor.

3 THE COMMISSIONER: Same day?

4 A. No, on August 27th, my lord. I  
5 say:

6 "After conferring with the Minister

7 "on the matter he asked me just

8 "before I left on Friday to write

9 "to the club and advise that a

10 "hearing will be held to consider

11 "the cancellation of the charter,

12 "indicating all possible grounds."

13 And I said:

14 "We should appreciate if you would

15 "review this file and set out all

16 "possible grounds so that I will

17 "have the letter upon my return

18 "from Halifax."

19 MR. ESTEY: Q. That is what you are  
20 asking Lavine to do earlier?

21 A. Yes, it was a former letter.

22 Q. April 27th you were asking Mr.  
23 Lavine to do that, Samuel Lavine. What is  
24 the present status, Mr. Cudney?

25 A. Then I wrote to the club in  
26 September or the solicitors for the club,  
27 on September 25th, 1962, advising that the  
28 hearing would be held at my office to  
29 consider cancellation on the following grounds.  
30

[illegible]



1 I set out three:

2 1. That the corporation has not operated  
3 as a bona fide social club, that is,  
4 forfeiture of powers.

5 2. The illegal gaming activities had  
6 been conducted upon the premises of the  
7 corporation.

8 3. The corporation has continued  
9 to operate contrary to my letter of  
10 July 25th, 1962.

11 A hearing was set for October 11th, but in view  
12 of the Commission proceedings it has been  
13 adjourned sine die.

14 Q. Any further delay you can blame  
15 on me. Now, let me ask you about those  
16 grounds. Apart from Mr. Silk's telephone  
17 conversation with you, what authority do you  
18 assert the Department has to write, to tell  
19 the club that they must not use their  
20 letters patent at any particular time?

21 A. Well, this was a case where  
22 there had been other grounds as well, possible  
23 forfeiture of powers.

24 Q. Well, I will come to that. That  
25 is your second ground?

26 A. Yes. Also the conviction in  
27 itself, that we thought we should confer with  
28 the Minister, the Minister to confer with the  
29 Attorney General's Department to see whether  
30





Q. Now the corporation has not been

as a bona fide social club, that is,

incorporated as such.

A. The illegal gaming activities had

been conducted upon the premises of the

corporation.

Q. The corporation has not been

an opaque company to my knowledge of

the facts.

A hearing was not for October 15th, but in view

of the Gamblers' Proceedings it has been

adjourned sine die.

Q. Any further delay you can place

on me, now, let me ask you about these

proceedings. About from Mr. Bick's telephone

conversation with you, were numerous do you

suggest the Department has to write, to tell

the club that they must not use their

records because of any possible time?

A. Well, this was a case where

there had been other previous as well, previous

proceedings.

Q. Well, I will come to that, this

is your second ground?

A. Yes. Also the conviction in

1921, that we thought we should come with

the material, the material to come with the

Attorney General's statement to see whether



1 we were to ask them not to operate until the  
2 appeal was disposed of.

3 Q. Was the appeal disposed of? I  
4 didn't ask you that.

5 A. I don't think it has. I haven't  
6 heard. I don't think it has been disposed of.

7 THE COMMISSIONER: I don't know.

8 MR. ESTEY: It is quite an old one.  
9 They may have taken it up to the Supreme  
10 Court of Canada, I suppose.

11 THE COMMISSIONER: That is a very pointed  
12 question, Mr. Estey. I would like to know  
13 what Mr. Cudney has to say about it. Given  
14 a case where there is a conviction and an  
15 appeal pending, what jurisdiction has the  
16 Department, the Minister, to say that the  
17 corporate entity must not operate while  
18 this appeal is pending and, "If you do we  
19 will cancel your charter"?  
20

21 A. Well, it is a new procedure, my  
22 lord. We have never -- first of all, may I  
23 say this -- we have never done it before.  
24 These reports were taken up when I received  
25 them, after report with my Minister, and  
26 the suggestion was to take it up with  
27 the Attorney General's Department to see  
28 what they thought about this. They thought  
29 that we were within our rights in asking  
30



we were to ask them not to oppose until the

appeal was disposed of.

Q. Was the appeal disposed of?

A. I don't know.

Q. I don't think it has been disposed of.

A. I don't think it has been disposed of.

Q. I don't know.

A. I don't know.

Q. They may have taken it up to the Supreme

Court.

THE COMMISSIONER: That is a very pointed

question, Mr. Galt. I would like to know

what Mr. Galt has to say about it. Given

a case where there is a conviction and an

appeal pending, what justification has the

Government, the Minister, to say that the

appeal is pending and, "If you do not

appeal, you will be liable to be

Q. Well, it is a new procedure, is

it not? We have never -- I think of all, may I

say this -- we have never done it before.

These reports were taken up when I received

them, after report with my Minister, and

the suggestion was to take it up with

the Attorney General's Department to see

what they thought.

Q. Was there any objection to that?

A. No, there was no objection.

Q. Was there any objection to that?





1 that the club not operate until after the appeal  
2 was disposed of. I don't know about the  
3 matter of jurisprudence. Of course, before  
4 they are convicted they are judged innocent.  
5 Whether the same applies on the appeal ---

6 MR. ESTEY: Q. May I put it on more  
7 narrow, perhaps clearer grounds. The Act  
8 says you have discretion to grant and you  
9 have discretion to cancel, but I cannot find  
10 anything in the Act that you have discretion  
11 to suspend.

12 A. No, there is not. No, it would  
13 not be under anything, Mr. Estey, in the Act.  
14 I suppose it was a matter of saying that  
15 we will cancel if ---

16 THE COMMISSIONER: Suppose the club were  
17 to say, "Go and jump in the lake. We were  
18 wrongly convicted. We want to carry on our  
19 legal powers. We were wrongly convicted  
20 or there was a wrong conviction of some members."

21 A. Yes.

22 Q. "And we have these powers given  
23 to us by the letters patent, and so long as  
24 the letters patent are extant we are going  
25 to exercise the powers that we have."

26 A. Yes.

27 Q. However, I am not here to decide  
28 that question.

29 MR. ESTEY: No.  
30



that the club has operated until after the appeal

was disposed of. I don't know about the

matter of jurisdiction. Of course, before

the committee was set up, it was

the committee that was set up

at that time, and I don't know

now, perhaps it's changed. The fact

is that you have discretion to grant and you

have discretion to refuse, but I cannot find

anything in the Act that you have discretion

to refuse.

A. No, there is not. No, it would

not be under anything, Mr. Justice, in the Act.

I suppose it was a matter of having that

we will cancel it --

THE COMMISSIONER: Suppose the club were

to say, "to and from in the lake. We were

wrongly convicted. We want to carry on our

business as usual."

or there was a wrong conviction of some member.

A. Yes.

A. "and we have these powers given

to us by the charter powers, and so long as

the charter powers are valid, we can

do anything that we have."

A. Yes.

A. However, I am not here to decide

the question.

THE COMMISSIONER: Yes.





1 THE WITNESS: I mean, they apply, as I  
2 mention, not only -- to three clubs, Atlas,  
3 Arlington and Parthenon. The same action  
4 was taken with respect to the three of them,  
5 the police reports, the same, this general  
6 procedure right along on parallel lines. I  
7 don't know whether my letter to Mr. Common  
8 would be of any ---

9 THE COMMISSIONER: I don't think it will  
10 help me much. You took advice from the  
11 Attorney General's Department and you acted  
12 on it?

13 A. Yes.

14 MR. ESTEY: Q. All right, this is the  
15 procedure which you follow as a matter of  
16 policy, and this club merely illustrates the  
17 application of that policy?

18 A. No, it is not. This is the  
19 first time this has been done.

20 Q. I heard that.

21 A. Yes.

22 Q. I take it that you will in the  
23 future intend to rely on the Attorney General's  
24 advice, and if the advice is the same you  
25 will do this again?

26 A. Well, I can't say.

27 Q. On the forfeiture, Mr. Cudney,  
28 and let us not get into -- this is the same  
29 argument as we had this morning as to whether  
30





THE WITNESS: I mean, first of all, as I  
 mention, not only -- as three others, Adams,  
 and others -- the fact was  
 was taken with respect to the three of them,  
 the police reports, the name, this gentleman,  
 procedure right along on parallel lines. I  
 would be of any --

THE COMMISSIONER: I don't think it will  
 help me much. You took advice from the  
 Attorney General's Department and you acted  
 on it?

A. Yes.  
 MR. WATSON: G. All right, this is the  
 procedure which you follow as a matter of  
 policy, and this club merely illustrates the  
 application of that policy?  
 A. No, it is not. This is the  
 time when this has been done.

A. I don't say.  
 Q. I take it that you will in the  
 future, having to rely on the Attorney General's  
 advice, and at the advice in the name you  
 will do this again?

A. Well, I don't say.  
 Q. On the testimony, Mr. Watson,  
 argument as we had this morning as to whether



1 you should not have barreled ahead with the  
2 forfeiture here. Mr. Lavine in his memorandum  
3 does not mention forfeiture. Did you have  
4 any opinion during 1962 as to whether  
5 forfeiture was a ground of cancellation of  
6 this Atlas Club charter?

7 A. I think just as we reviewed this  
8 file, the returns were filed in bundles, I  
9 think, weren't they, at different times?

10 Q. Yes.

11 A. Which always raises the presumption  
12 of forfeiture. It is not always conclusive  
13 of forfeiture.

14 Q. No.

15 A. But it always raises a strong  
16 presumption of forfeiture and it would certainly  
17 be wise to look into.

18 Q. That is why you held the hearing.  
19 Would you turn to the Chan ---

20 THE COMMISSIONER: Just a moment. I said  
21 earlier, at the moment there seems to be a  
22 little inconsistency. July 25th, 1962, the  
23 club is notified that there will be a hearing  
24 at which the Department will contend that  
25 the charter should be cancelled by reason of  
26 forfeiture of powers, and the legal entity  
27 against whom that is threatened will say,  
28 "Well, we have the letters from you. Years  
29 after you could have said that the powers were  
30



Q. Now, did you ever see any of these people?

A. Yes, I saw them in his memorandum.

Q. Does not mention Tortoise? Did you have

any opinion during 1908 as to whether

Tortoise was a ground of cancellation of

your title then?

A. I think just as we reviewed this

also, the results were filed in 1908, I

think, would say, no, I don't think

Q. Yes.

A. I think it was a mistake.

of Tortoise. It is not always conclusive

of Tortoise.

Q. Yes.

A. But it always raises a strong

presumption of Tortoise and it would certainly

be wise to look into.

Q. That is why you held the hearing.

Would you say to the Queen ---

THE COMMISSIONER: Just a moment. I said

earlier, at the moment there seems to be a

little mistake.

that is not stated that there will be a hearing

at which the Department will consider this

the answer should be cancelled by reason of

Tortoise of power, and the local entity

exists when that is concerned with say,

"Well, we have the letters from you. You

also you could have said that the powers were





1 forfeited and then you were admonishing us not  
2 to continue operating while the appeal was  
3 pending." The innuendo being, well, if there  
4 was not an appeal pending you would be entitled  
5 to carry on. Did that strike you?

6 A. Yes, it did.

7 Q. There does seem to be some incon-  
8 sistency?

9 A. Yes, it is entirely as I say.  
10 It is the first time this has ever been done,  
11 my lord.

12 Q. This illustrates the problems that  
13 you have up there?

14 A. Yes.

15 THE COMMISSIONER: Now, let us have ten  
16 minutes and will you come in, Mr. Wilson, and  
17 will you come in, Mr. Estey.

18  
19 ---A short recess.

20 ---On resuming:

21 MR. ESTEY: Q. Mr. Cudney, I gave you  
22 a bad lead. We are not going into the Chann  
23 Social Club but rather the New Canadian  
24 Social Club, and after that the Parthenon.

25 THE COMMISSIONER: New Canadian Social  
26 Club?

27 MR. WILSON: It is in H, 26.

28 MR. ESTEY: It is in K at page 10.

29 MR. WILSON: I don't think it is in the  
30





1 brief. I don't recall.

2 MR. ESTEY: I don't see it in the brief.

3 Q. It is the New Canadian Social  
4 Club, incorporated 1944, Mr. Cudney. Do we  
5 have the same ---

6 A. 1945, June 15th.

7 Q. Oh, yes. I suppose whatever  
8 embarrassment this club may be to any one,  
9 if it is an embarrassment, the situation  
10 might be worse had the original name  
11 persevered. I see the application was --  
12 if Mr. Wilson will forgive me -- the New  
13 Canadian Progressive Conservative Social Club,  
14 and that name was changed before the letters  
15 patent were issued.

16 My lord, I stand corrected. It is at  
17 page 75 of the brief itself and the name is  
18 wrong in the brief.

19 MR. WILSON: Of course, we have had  
20 the Italian Liberal Club, not that it makes  
21 any difference.

22 MR. ESTEY: Q. This New Canadian Social  
23 Club, I thought on this file it would indicate ---

24 THE COMMISSIONER: June 15th, 1955,  
25 was it?

26 MR. ESTEY: 1945.

27 THE WITNESS: 1945, my lord.

28 MR. ESTEY: Q. Mr. Cudney, we can do it  
29 rather quickly on your C file. Your returns  
30





Witness: [Name]

Q. Is it in the New Canadian Herald?

A. It is in the New Canadian Herald.

Q. Incorporated 1944, Mr. Gurney, do we

have the first --

A. 1945, June 19th.

Q. Mr. Gurney, I have a question.

Constitutional Commission said that was to my one,

it is in an advertisement, the situation

was to my one and the situation was --

recovered. I see the application was --

if Mr. Wilson will forgive me -- the New

Canadian Herald, I have a question about this.

and that name was changed before the letters

of the name was changed.

My Lord, I stand corrected. It is in

page 15 of the brief itself and the name is

wrong in the brief.

MR. WILSON: Of course, we have had

the Italian Herald, not that it makes

any difference.

Q. Now, Mr. Gurney, I have a question about

this, I thought on this line it would indicate --

the Commission, I have a question.

was it?

MR. WILSON: Yes.

THE WITNESS: Yes, my Lord.

MR. WILSON: Mr. Gurney, we can go to

rather quickly on your G line. Your honour



1 again indicate that they came in a group, because  
2 1951, 1952 and 1953, they came in, I think --  
3 excuse me, they show the club holding an  
4 annual meeting -- I am wrong -- they came in  
5 annually but they show no annual meeting  
6 after March 28th, 1951.

7 A. Pardon me a second. They show  
8 an annual meeting, 1949.

9 Q. Yes?

10 A. They show an annual meeting in 1949.

11 Q. Show one in 1950?

12 A. I am going back. 1948, 1947  
13 returns, they show one. Then in 1950, you say?

14 Q. Starting in 1951 they seem to  
15 have no annual meetings after March 30th, 1951  
16 until they hold a meeting in 1954?

17 A. In the March 31st, 1952, report  
18 they show an annual meeting on March 30th, 1951.

19 Q. That is right.

20 A. In the March 31st, 1953, they  
21 show an annual meeting March 30th, 1952.

22 Q. I have that 1951. I am sorry,  
23 you are undoubtedly correct.

24 A. I am just reading from the return  
25 here.

26 Q. Yes?

27 A. March 31st, 1954, they show an  
28 annual meeting March 29th, 1953.

29 Q. All right, my notes are not correct  
30

CC/3



again indicate that they came in a group, because

... ..

excuse me, they show the card holding an

annual meeting -- I am wrong -- they came in

annually but they know no annual meeting

... ..

A. Pardon me a second. They know

... ..

... ..

A. They show an annual meeting in 1930.

Q. Show one in 1930?

A. I am getting back. 1930, 1931.

return, they show one. Then in 1930, you say?

Q. Starting in 1931 they seem to

have no annual meetings after March 30th, 1931.

and they hold a meeting in 1932?

A. In the March case, 1932, report

they show an annual meeting on March 30th, 1931.

... ..

A. ... ..

show an annual meeting March 30th, 1931.

Q. I have that 1931. I am sorry.

You are undoubtedly correct.

A. I am just reading from the record

... ..

... ..

A. ... ..

annual meeting March 30th, 1931.

Q. All right, my name and not correct





1 in that.

2 A. Then there is an annual meeting  
3 in 1954.

4 THE COMMISSIONER: What is the point you  
5 want to make?

6 MR. ESTEY: None now, my lord. My notes  
7 are wrong and the annual meetings, Mr. Cudney  
8 says, were held. My notes indicate that  
9 they were not.

10 THE WITNESS: There is a jump from 1954  
11 to 1956.

12 MR. ESTEY: Q. All right. That, of  
13 course, under the new statute by that time,  
14 is it not, so the first thing we see then  
15 is December 29th, 1960, where there is, I  
16 think in your file, a newspaper item of a  
17 conviction -- excuse me, it is arrest, and  
18 immediately thereafter you have a report  
19 from Commissioner Clark?

20 A. Yes. That is a police report,  
21 Mr. Estey?

22 Q. Police report from Commissioner  
23 Clark dated -- the letter to you is January 5th,  
24 1961. That is, I suppose, a proposed  
25 transfer, is it not?

26 A. January 5th, 1961, Mr. Estey, yes.

27 THE COMMISSIONER: What is the report  
28 about?

29 MR. ESTEY: Q. What is that about, Mr.  
30



A. Then there is an annual meeting

in 1936.

THE COMMISSIONER: What is the point you

were making?

MR. BERRY: None new, my lord. My notes

are wrong and the annual meeting, Mr. Berry

says, were held. My notes indicate that

they were not.

THE WITNESS: There is a gap from 1934

to 1936.

MR. BERRY: O. All right. That, of

course, under the new measure by that time,

as it now, so the thing was not then

in December 1934, 1935, where there is, I

think in your case, a newspaper item of a

conviction -- excuse me, it is correct, and

consequently conviction for that year.

THE COMMISSIONER: O.K.

A. Yes. That is a police report,

Mr. Berry.

THE COMMISSIONER: All right.

THE COMMISSIONER: -- and the report was in December 1934.

THE COMMISSIONER: Yes, I believe it was.

THE COMMISSIONER: Is it not?

A. Yes, that is what I say, my lord.

THE COMMISSIONER: What is the report

about?

MR. BERRY: O. That is just about, Mr.





1 Cudney?

2 A. Well, the club was proposing to  
3 make a transfer of its club premises for  
4 which they needed the consent of the  
5 Provincial Secretary. The matter had been  
6 referred to the police.

7 MR. ESTEY: Q. What was the proposed  
8 address to be, Mr. Cudney?

9 A. To move from 364 Queen East  
10 to 372 Queen East.

11 Q. What is the effect of the  
12 Provincial Police report?

13 A. And the police report advised  
14 that the club in December, 1960, moved, had  
15 already moved to the new premises and that ---

16 Q. Did they approve it?

17 A. Just pardon me a second.

18 Q. Do you see a note that they could  
19 not approve the transfer in view of the raid  
20 and the charges laid?

21 A. Yes, I was just trying to find  
22 that. I knew they had.

23 THE COMMISSIONER: They wanted permission  
24 to move from where to where?

25 MR. ESTEY: 364 Queen Street in Toronto  
26 to 372 Queen Street, they are both Queen East.

27 THE WITNESS: Well, it states that  
28 there has been a raid by the Metropolitan  
29 Toronto Police and charges had been preferred,  
30





A. Well, and that was proposed to

make a transfer of the line between for

Provincial Security. The matter had been

A. To move from 304 Queen Street

to 312 Queen Street.

Q. What is the effect of the

A. And the police report referred

that the plan in December, 1900, moved, had

already moved to the new location and that --

Q. Did they approve it.

A. That was a second.

Q. Do you see a note that they could

not approve the transfer in view of the fact

and was changed later?

A. Yes, I was just trying to find

them. I knew they had.

THE COMMISSIONER: They made a determination

to move from where to where?

MR. BAKER: 304 Queen Street in Toronto

to 312 Queen Street, they are both Queen Street.

THE WITNESS: Well, it moved from

there has been a talk by the Metropolitan

Police Department and the City Council.



1 and therefore they do not feel they could approve  
2 of the transfer.

3 MR. ESTEY: Q. And then the next police  
4 report on the file is March 8, 1961, Metropolitan  
5 Police?

6 A. Yes, this was dated -- we received  
7 it March 8, 1961, from the Metropolitan Toronto  
8 Police, Chief Mackey, addressed to myself.  
9 I was away at that time.

10 Q. Excuse me just a moment. This  
11 report does not deal with the transfer. You  
12 by this time had refused the transfer, had  
13 you not?

14 A. Now, I can't say that the  
15 transfer has been ---

16 Q. January 12th, 1961, you wrote  
17 to the solicitor in question refusing,  
18 denying the application, and refunding the  
19 \$20 fee. Do you see that?

20 A. Yes, Miss O'Rourke, Departmental  
21 Solicitor, saying ---

22 THE COMMISSIONER: What date?

23 A. January 12th, 1961, my lord:  
24 "We are unable to grant the application".

25 MR. ESTEY: Q. All right, then the  
26 next police report is dated March 8th, 1961,  
27 from Chief Mackey to yourself?

28 A. Yes.

29 Q. It forwards to you what really  
30



and therefore they do not feel they could approve

Mr. Smith: I am sure and have police reports on the file in March of 1901, mentioning

A. Yes, this was dated -- no receiving

at March of 1901, from the Metropolitan Toronto

I was away at that time.

Q. I suppose you find a number of

reports goes not next with the register, you

by this time had returned the transfer, has

not now?

A. Now, I can't say that the

Q. January 1901, you were

to the solicitor in question regarding

regarding the application, and returning the

two are. Is not that correct?

A. Yes, Miss O'Hara, Department

The Department: What does

"We are unable to grant the application"

Mr. Smith: A. All right, then the

from which they go to, normally

Q. Is forwarded to you from





1 is Inspector Walker's report of the 28th February,  
2 1961?

3 A. Yes.

4 Q. And the report commences, I think  
5 you will see there, that the club was found  
6 to be located at 249 Victoria Street in  
7 January, 1956, do you see that?

8 THE COMMISSIONER: They had already  
9 moved from where?

10 MR. ESTEY: Q. This report says that  
11 in 1956, which would be five years earlier,  
12 they were at 249 Victoria Street?

13 A. 249 Victoria Street.

14 "The club operated at 360 King East

15 "until 1950 when the annual returns

16 "indicate the head office was

17 "removed back to the residence of

18 "Lazar Eftoff, 52 Wyart Avenue,

19 "where it remained until it was

20 "found to be located at 249 Victoria

21 "Street on January 4th, 1956."

22 Q. More importantly, further on in  
23 that report the Inspector says in effect  
24 that on interviewing the principals it was  
25 stated that the objects in the charter  
26 were not adhered to as this was primarily  
27 a restaurant. In other words, they are  
28 using this corporation without share capital  
29 which was to be conducted within the names  
30



to the fact that the club was located at the same place.

1901? ...

A. Yes.

Q. And the report concerned, I think

you will see there, that the club was found

to be located at the Victoria Hotel in

January, 1901, do you see that?

Q. Yes.

Q. And the report was that

the club was located at the Victoria Hotel

in 1901, which would be five years earlier,

than the report in the Victoria Hotel

report.

Q. The club operated at the King Bar

about 1900 when the annual returns

"indicate the head office was

removed back to the residence of

the club, I think.

Q. Where is removed until it was

"found to be located at the Victoria

"Hotel on January 1st, 1901."

Q. ... were subsequently, further on in

that report the Inspector says in effect

that on interviewing the proprietors it was

ascertained that the subject in the character

were not known to each other and that

in other words, they are

being this corporation without being cognate

with the fact that they are





1 of the principals, as a vehicle within which to  
2 conduct a commercial enterprise. That is the  
3 way I read that report. Do you agree with  
4 that?

5 A. Yes, a restaurant business.

6 Q. Would you read the last paragraph  
7 on page 2?

8 A. That they were operating as a  
9 private enterprise, two persons.

10 THE COMMISSIONER: Two persons?

11 A. Two persons were running a restaurant  
12 business as their own private enterprise, and  
13 they alone benefited from all profits derived  
14 from the venture.

15 Q. Two persons? What about the  
16 membership generally? Was this a restaurant  
17 at 249 Victoria Street?

18 A. Well, my lord, they are referring,  
19 I take it, to the club that that complaint  
20 is about, and they say that it is a  
21 restaurant business.

22 MR. ESTEY: Q. Read Mr. Commissioner the  
23 last paragraph on that page.

24 A. "Christoff and Photocis stated  
25 "that the restaurant business was their  
26 "own private enterprise, and that they  
27 "alone benefited from all profits  
28 "derived from this venture. Along  
29 "with this, they charged the club  
30





of the principal, as a vehicle within which to  
conduct a commercial enterprise. That is the  
way I read that report. No one agrees with  
that?

Q. Would you read the last paragraph  
on page 2?

A. That they were operating as a  
business enterprise, and  
the corporation; the company.

A. Two persons were running a corporation  
business as their own private enterprise, and  
they alone benefited from all profits derived  
from the venture.

Q. Two persons? What about the  
membership generally? Was this a partnership  
or was it a corporation?

A. Well, my lord, they are referring  
I take it, to the fact that these companies  
are about, and they say that to be a  
partnership.

Q. Now, if that is the case, then  
that paragraph on that page,

"that the defendant business was a  
"own private enterprise, and that they  
"alone benefited from all profits  
"derived from this venture. Also  
"with this, they carried the risk



1       "\$225 a month for rent. They both  
2       "received salaries of \$40 a week from  
3       "the club and also paid \$40 a week  
4       "to Lazar Eftoff because he had  
5       "been injured in an accident. All  
6       "membership dues and all card fees  
7       "charged were placed by them in the  
8       "same common cash register along  
9       "with the receipts from the  
10       "restaurant business. No separate  
11       "records were kept by them or any  
12       "one else pertaining to the club  
13       "meetings, financial status or  
14       "social activities. Photoeis  
15       "stated that the objects set down  
16       "in the charter were not adhered  
17       "to as this was primarily a  
18       "restaurant. It was further  
19       "ascertained that the two men  
20       "had been the only active directors  
21       "of the club for the previous two  
22       "years."

23  
24       (Page 13178 follows)  
25  
26  
27  
28  
29  
30



"...a month for rent. They both  
"received salaries of \$40 a week from  
"the club and also paid \$40 a week  
"to Lassar Hertz because he had  
"been injured in an accident. All  
"membership dues and all card fees  
"collected were placed by them in the  
"club's bank account.  
"After the receipts from the  
"restaurant business, no separate  
"records were kept by them of any  
"other business or income.  
"Meetings, financial status of  
"the club, etc., were discussed  
"at the club and the officers and directors  
"in the charter were not separated  
"as this was primarily a  
"club and it was not  
"understood that the two men  
"had been the only active directors  
"of the club for the previous two  
"years."

(Name of club omitted)





D/JBMG/1

1 MR. ESTEY: Q. Would you look at the next  
2 paragraph at the top of the page?

3 A. Yes: [unclear]

4 "As a result of the aforementioned  
5 "investigation Louis Photeis and  
6 "Christopher Shapinkos, a waiter, were  
7 "arrested on a charge of keeping a  
8 "common gaming house and 59 men on  
9 "the premises were charged as  
10 "found-ins of a common gaming house."

11 Q. And in the second paragraph below  
12 that it says the magistrate gave his reasons  
13 and said he thought this wasn't a bona fide  
14 operation and the letters patent have been  
15 used as a sham to cover the operations of  
16 Photeis and Christoff?

17 A. That is right.

18 Q. What did you do when you were  
19 faced with this problem that not only gambling  
20 was going on but there was a fundamental mis-  
21 use of the charter?

22 A. Well, there had been a conviction  
23 in this case. I was away at this time. I  
24 see on March 14th a memo was written by  
25 my representative to Mr. Yaremko enclosing  
26 a copy of the report. It is a fairly  
27 long memo.

28 THE COMMISSIONER: Q. It is a copy of  
29 the report?  
30



100-100000

Q. Now, would you look at the next

paragraph at the top of the page?

A. Yes.

Q. As a result of the investigation

"investigation into the

"Christophers, a witness, was

"arrested on a charge of keeping a

"common gaming house and by him on

"the premises were charged as

"found-ins of a common gaming house.

Q. And in the second paragraph below

it says the witnesses gave him reasons

and said he thought there wasn't a house there

operation and the letters passed have been

used as a plan to cover the operation of

Shovels and Christophers?

A. That is right.

Q. What did you do when you were

faced with this problem that not only (a) it

was going on but there was a fundamental mis-

understanding?

A. Well, there had been a conviction

in this case. I was away at the time. I

was on March 14th a memo was written by

the representative to the Commission

a copy of the report. It is a fairly

long report.

Q. The Commission? It is a copy of

the report.





1 A. It is a copy of the report and  
2 reviews the situation of the applicant for  
3 a change of premises and it contains the  
4 police reports, the O.P.P. report, and also  
5 encloses Chief Mackey's report and what it  
6 boils down to is this:

7 "On Tuesday, February 7th, 1960, the

8 "three accused appeared before His

9 "Worship Thomas Elmore and Photels

10 "and Christoff were found guilty

11 "as charged and sentenced to be

12 "fined \$200 each or imprisonment

13 "of one month. The charges

14 "against Shapinkos were dismissed."

15 Inspector Walker concludes by saying that  
16 from the method of operation the club was not  
17 a bona fide operation and the letters patent  
18 were being used as a sham. Inspector Walker  
19 recommends not only the permission for  
20 removal of the premises be denied but also  
21 that the charter be cancelled.

22 Q. On May 31st you wrote a letter  
23 to the club telling them you were going to  
24 cancel the charter on June 14th unless  
25 cause was otherwise shown?

26 A. Yes.

27 THE COMMISSIONER: Wait a minute, what  
28 happened next?

29 A. That was March 14th, 1961, and  
30





THE POWER OF THE PEOPLE IS THE ONLY POWER THAT COUNTS. A

Revisions are suggested by the following:

and existence of the authority to organize a

enrollment. Chief Murego's report did not list

\_\_\_\_\_

"Worshipfully, Edward and Robert"

"as charged and sentenced to be

99,000 012. 1.000000 010 100

Inspector James Connelley of Dallas Area

From the method of execution the blind was used

a bona fide operation and the interest therein

were being used as a stimulant. Inspector, advised

that the answer be cancelled.

[illegible]

to the one telling them you were going to

THE OCCUPATION WAS A BATTLE, SAYS

A. The following was March 14th, 1903, and



1 then there is a letter from me dated May 31st,  
2 1961, addressed to the club indicating the  
3 two convictions and advising them that the  
4 charter would be cancelled. This is one of  
5 the matters I went into.

6 Q. That is when you came back?

7 A. Yes, sir.

8 MR. ESTEY: Q. In your notice of May  
9 31st the reasons given to the club for the  
10 proposed cancellation of the charter were two  
11 convictions?

12 A. That is right.

13 Q. "Then to complete this story of  
14 the club, you received a request from the  
15 lawyers for the defendants, or from the  
16 club, asking you not to proceed with this  
17 matter until the appeal had been disposed of?

18 A. Yes. I wrote my letter on  
19 May 31st and I received a letter from them  
20 on June 6th.

21 Q. And you agreed to this request  
22 after you had discussed it with the Minister?

23 A. That is right, and I so advised  
24 Chief Mackey.

25 Q. Now, at least at this stage of  
26 the proceedings you had in mind only one  
27 ground for your action?

28 A. Yes, the two convictions.

29 Q. You weren't considering private  
30



Q. Now, is it correct that on June 1st, 1934,

the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. And it is also correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?

A. Yes, that is correct.

Q. Now, is it correct that the defendant was arrested on the charge of kidnapping?





1 operations or moving without permission?

2 A. No, we based it on the two con-  
3 victions.

4 Q. On the 16th of June you wrote a  
5 memorandum to the Minister dealing with your  
6 decision to hold the matter pending the  
7 appeal of the convictions.

8 A. Yes; perhaps I had overlooked  
9 the matter of the removal of the premises  
10 from one place to another without consent  
11 and also the matters mentioned in Inspector  
12 Walker's report.

13 Q. In any event you picked that up  
14 again on December 22nd, 1961?

15 A. That is right, and the charter  
16 was cancelled on the basis of moving without  
17 permission after the appeal had been quashed.

18 THE COMMISSIONER: You mean after the  
19 conviction had been quashed?

20 A. That is right, after the conviction  
21 had been quashed, sir.

22 MR. ESTREY: Q. It doesn't appear in  
23 the file as to what brought this back to  
24 light again at the end of the year. Do you  
25 have any recollection as to that?

26 A. Yes, the appeal was not disposed  
27 of until December and I mentioned it to the  
28 Minister and told him it had been disposed of  
29 and brought to his attention the fact that the  
30



...the ...

A. No, we based it on the two can-

...

Q. On the 10th of June you wrote a

memorandum to the Minister dealing with your

decision to hold the matter pending the

appeal of the conviction.

A. Yes; perhaps I had overlooked

the matter of the removal of the prisoner

from one place to another without consent

and also the matters mentioned in Inspector

...

Q. In any event you picked this up

again on December 22nd, 1961?

A. That is right, and the matter

was cancelled on the basis of moving without

permission after the appeal had been granted.

THE GOVERNMENT: You mean after the

...

A. That is right, after the conviction

had been granted, etc.

MR. JUSTICE: It doesn't appear to

the file as to what brought this back to

light again at the end of the year. Do you

have any recollection as to that?

A. Yes, the appeal was not disposed

of until December and I mentioned it to the

Minister and told him it had been disposed of

and brought to his attention the fact that the





1 club, notwithstanding that the conviction had  
2 been quashed, had moved without consent and  
3 that was the grounds for the cancellation.

4 Q. The effect of the memorandum  
5 to the Minister -- in fact, it is not a  
6 memorandum to the Minister, it is a memorandum  
7 to the file?

8 A. It is December 22nd, yes.

9 Q. In the very concluding part what  
10 do you say?

11 A. It is to leave the matter with  
12 him as to what action to take.

13 Q. Shortly, what transpired after  
14 that?

15 A. I sent a letter to the club  
16 advising the letters patent would be cancelled  
17 on the basis the club had moved without  
18 consent.

19 Q. You had a hearing and circulated  
20 a transcript of the hearing?

21 A. Yes.

22 Q. And you summarized the transcript  
23 for the Minister?

24 A. Yes.

25 Q. And that was by reason of their  
26 violation of Section 291 prohibiting moving  
27 the premises of the club?

28 A. Yes, I think that was the first  
29 one we cancelled on that basis. Club 21 was  
30





Q. Now, when you say that the person who was with you at the time of the shooting was the person who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

Q. The extent of the person's knowledge of the person who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

Q. To the Minister -- in fact, it is not a person who was with you at the time of the shooting, is it?

A. Yes, that is correct.

Q. To the Minister -- in fact, it is not a person who was with you at the time of the shooting, is it?

A. Yes, that is correct.

Q. In the very beginning of the shooting, was there a person who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

Q. It is to leave the matter with him as to what action to take, is that correct?

A. Yes, that is correct.

Q. Showing what happened after that, is that correct?

A. Yes, that is correct.

Q. I sent a letter to the one who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

Q. The letter was sent to the one who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

Q. You had a hearing and discussed the matter, is that correct?

A. Yes, that is correct.

Q. A statement of the hearing, is that correct?

A. Yes, that is correct.

Q. And you discussed the hearing, is that correct?

A. Yes, that is correct.

Q. And that was by reason of the violation of Section 21, is that correct?

A. Yes, that is correct.

Q. The person of the day, is that correct?

A. Yes, that is correct.

Q. Yes, I think that was the person who was with you at the time of the shooting, is that correct?

A. Yes, that is correct.

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1       too, I think.    I forget which was before but  
2       that was one of them.

3               Q.       There is a note on the file of  
4       April 12th, 1956, in which Mr. Margelian  
5       advised you an order had been asked for  
6       setting aside the notice of cancellation?

7               A.       What is the date of that?

8               Q.       It is a memorandum of April 12th,  
9       1962.

10              A.       Yes, after the order had been  
11       made cancelling the charter an appeal was  
12       made to Weekly Court to set aside this and  
13       I think they proceeded by way of certiorari and  
14       I handed it to Mr. Margolian and the trial  
15       judge upheld the order and dismissed the  
16       application.

17              Q.       That disposes of that club.  
18       The effect of all this is you received your  
19       adverse report from the police in 1961 and  
20       it was cancelled in March, 1962?

21              A.       Yes.

22              THE COMMISSIONER:   No, just a minute, it  
23       was December 22nd, 1961.

24              THE WITNESS:   I wrote to the club on  
25       April 22nd and the cancellation order here  
26       was March 6th, 1962.

27              MR. ESTEY:   Q.   It is effective in April?

28              A.       Yes.

29              Q.       You make the order retroactive  
30



Q. I think I forgot which was before and  
which was one of them.

A. There is a note on the file of  
April 1901, I think, in which it is mentioned

that the order was cancelled in March, 1902.

A. What is the date of that?

Q. It is a memorandum of April 1901.

A. Yes, when the order had been  
made cancelling the charter an appeal was

made to the court and the order was

reversed and they proceeded by way of certiorari and

I handed it to Mr. Harpold and the trial

judge upheld the order and obtained the

application.

Q. The disposal of that case.

The effect of all this is you received some

adverse report from the police in 1901 and

it was cancelled in March, 1902?

A. Yes.

Q. THE COURT ORDER: Was there a change in

was December 1901, 1901.

Q. Was it moved to the date on

April 1901 and the cancellation order made

the same day?

Q. Yes: Is it effective in April?

A. Yes.

Q. Was there any other action taken?





1 so the club can wind up its affairs?

2 A. That is right, we give them a period  
3 of about three weeks.

4 Q. Now, very briefly I would like  
5 to turn your attention to the Parthenon Club,  
6 file No. C-54322.

7 THE COMMISSIONER: Where do we find that?

8 MR. ESTEY: I do not think this one  
9 appears. It is in the supplement at page 33  
10 of the brief.

11 Q. This club illustrates the  
12 difficulties you were faced with when you  
13 were advised of gambling after the first  
14 report of a conviction. This club was  
15 incorporated in December, 1946?

16 A. Yes, December 5th, 1946.

17 Q. And in 1950 on June 29th you  
18 received returns for 1947, 1948, 1949 and  
19 1950?

20 A. Yes.

21 Q. They were received on the 29th  
22 of June, 1950?

23 A. Yes, that is true.

24 Q. Then we have the first police  
25 report dated the 11th of May, 1962.

26 THE COMMISSIONER: What police department?

27 MR. ESTEY: This is the Morality Bureau  
28 of the Toronto Metro Police, Deputy Chief  
29 Elliott, and this reports to you the conviction  
30



Q. Now, very briefly I would like to turn your attention to the Penitentiary Club, is that right?

A. That is right, we give them a partial release, is that right?

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A. That is right, we give them a partial release, is that right?

Q. Now, very briefly I would like to turn your attention to the Penitentiary Club, is that right?





1 of the club steward in May, 1962, and it refers  
2 to earlier correspondence I cannot find on the  
3 file.

4 A. This is a report of May 1st, 1962?

5 Q. That is right. In any event,  
6 this is the police report of a conviction?

7 A. Yes. By the way, that first  
8 report is on file.

9 Q. What is the date of it?

10 A. February 22nd, 1962.

11 Q. What was the effect of that report?

12 A. It is a letter from Acting Chief  
13 Kerr to myself attaching a copy of a report.  
14 It is a ten page report.

15 Q. Don't read that. Does it  
16 recommend cancellation at the end?

17 A. It says, "In view of the fore-  
18 "going it is strongly recommended  
19 "these findings be forwarded to the  
20 "Provincial Secretary with a view  
21 "to cancelling the charter."

22 Q. What action did you take?

23 A. I referred it to Mr. Whiteside,  
24 one of our lawyers, for analysis and he wrote  
25 me on March 6th and he went up after reviewing  
26 the report on the file and said that it would  
27 be advisable to have a hearing before action  
28 was taken.

29 Q. Did you hold a hearing?  
30





of the club awarded in May, 1945, and its return  
to earlier correspondence I cannot find on the

A. This is a report of May 1945, 1945  
Q. That is right. In any event,

this is the police report of a conviction?  
A. Yes. By the way, that was

report in on file.

Q. What is the date of it?

A. May 1945, 1945.

Q. What was the effect of that report?

A. It was a report of a conviction.

Q. Now to which attaching a copy of a report?

A. It was a report of a conviction.

Q. Don't read that. Don't

recommend cancellation at the end?

A. It says, "In view of the fore-

"going it is strongly recommended

"these findings be forwarded to the

"Provincial Secretary with a view

"to cancelling the charter."

Q. What action did you take?

A. I referred it to Mr. Whelan,

one of our lawyers, for analysis and he wrote

me on March 1945 and he went up after reviewing

the report on the 1945 and said that it would

be advisable to have a hearing before action

was taken.

Q. Did you have a hearing?



1 A. I wrote to Mr. Yarenko on March 13,  
2 1962, saying that we were in receipt of a  
3 report recommending the cancellation of the  
4 charter. From the police report it would  
5 appear gaming had taken place on the  
6 premises. I said I would be pleased to  
7 discuss it with him at his convenience.

8 Q. Did you hold a hearing as a  
9 result of that?

10 A. The memo from the Minister is:  
11 "Commence cancellation proceedings".

12 Q. What is the date of that?

13 A. That is the same date.

14 Q. The 13th of March, 1962?

15 A. Yes.

16 Q. What transpired then?

17 A. I then wrote to Mr. Lavine pointing  
18 out the alleged grounds were gaming and  
19 suggested that he look for any other grounds  
20 that might occur to him in looking over  
21 the report. I wrote the Club later on  
22 March 16, 1962, advising them that the charter  
23 would be cancelled on forfeiture of powers  
24 and illegal gaming activities. That was  
25 on March 16th. Then I received a letter  
26 from the solicitors for the club on  
27 March 22nd in which they said their client  
28 had been charged and the matter was coming  
29 up in Police Court on April 2nd and asked  
30



A. I was in the office on April 11.

1908, saying that we were in receipt of a report recommending the cancellation of the charter. From the police report it would appear that the charter was not renewed. I said I would be pleased to discuss it with him at his convenience.

Q. Did you hold a hearing on a

matter of this kind?

A. The memo from the Minister is:

"The Minister has been informed that the

charter of the [unclear] has been renewed.

A. That is the same day.

Q. The day after the 11th of April, 1908?

A. Yes.

Q. Did you hold a hearing on the 11th of April, 1908?

A. I did not hold a hearing on the 11th of April, 1908.

Q. Did you hold a hearing on the 12th of April, 1908?

A. I suggested that he look for any other grounds

that might occur to him in looking over

the report. I did not hold a hearing on the 12th of April, 1908.

Q. Did you hold a hearing on the 13th of April, 1908?

A. I would be cancelled on the 13th of April, 1908.

Q. Did you hold a hearing on the 14th of April, 1908?

A. Then I received a letter

from the solicitors for the city on

April 14th in which they said that the

had been changed and the matter was coming

up in Police Court on April 14th and asked





1 to have the matter adjourned until the courts  
2 had adjudicated on it. I wrote a memorandum  
3 to the Minister on March 28th, 1962.

4 Q. What date?

5 A. March 28th, 1962, sending on a  
6 copy of the solicitor's letter and asking  
7 his direction as to whether we should  
8 proceed or wait until the matter had been  
9 adjudicated upon.

10 Q. In the end I take it you acquiesced  
11 in the request ~~for~~ that the cancellation  
12 proceedings be deferred?

13 A. Yes, that is true. And the  
14 proceeded  
15 matter, by a police report on May 11th in  
16 which there apparently was a conviction of  
17 James Marmon.

18 Q. Isn't it Bazors?

19 A. Yes, it is Bazors. He was  
20 convicted on May 10th of keeping a common  
21 gaming house.

22 Q. And there was a request to further  
23 delay the hearings pending the hearing of an  
24 appeal?

25 A. Yes.

26 Q. So I take it until June, 1962,  
27 the matter was still in abeyance?

28 A. Yes, and I brought the report  
29 to the attention of the Minister who said to  
30 set a date for hearing. I don't know just



to have the matter brought back to the  
 had suggested on it. I wrote a memorandum  
 to the Minister on March 28th, 1962.

A. Yes, I did.  
 A. March 28th, 1962, sending on a

copy of the solicitor's letter and asking

his direction as to whether we should  
 proceed or wait until the matter had been

discussed.

Q. In due and I take it you addressed  
 in the request and that the cancellation

was made on that basis.

A. Yes, that is true. And the

proceeded

matter by a police report on May 1st in  
 which there apparently was a conviction of

the same person.

A. That is correct.

A. Yes, it is correct.

convicted on May 1st of keeping a common

house.

Q. And there was a request to further

delay the hearing pending the hearing of the

matter.

A. Yes.

Q. So I take it until June, 1962,

the matter was still in abeyance?

A. Yes, and I brought the report

to the attention of the Minister who said to

not a case for hearing. I don't know if





1 what his words were. I wrote a memo to the  
2 Minister enclosing this report and asked his  
3 permission to proceed with cancellation.  
4 There is a note from the Minister, "Proceed  
5 to set a date for hearing".

6 Q. In this case did you carry on  
7 with your hearings without waiting for the  
8 appeal?

9 A. We hadn't heard at that point  
10 of the appeal. We had just been advised  
11 of the conviction. Then I wrote to the  
12 solicitors and set a date for the hearing,  
13 referring to the convictions, and said that  
14 those grounds should be considered in  
15 addition to the grounds set forth in my  
16 first letter.

17 Q. At this stage you followed the  
18 same procedure as before, pending the  
19 appeal and this continued until the 14th  
20 of August, 1962, when you received a further  
21 police report?

22 A. Yes. I advised Chief Mackey  
23 that when the appeal was disposed of we  
24 would have a hearing and then we received  
25 a further police report on January 13th, 1962,  
26 attaching a copy of the report from Inspector  
27 Thurston. He reports in effect that on  
28 three occasions of his visit gambling was  
29 evident and he concludes by recommending  
30



However, enclosing this report and asking for

There is a note "From the Minister," "Process"

1. The Board of Directors shall have the authority to:

returning to the convictions, and said that

addition to the grounds set forth in the

Q. At that time, you followed the

John and I have been married since 1960.

TO: ALLIANCE, 1965, when you received a letter from

NOTES



1 immediate cancellation.

2 Q. No, I am speaking of the report of  
3 June 13th, 1962.

4 THE COMMISSIONER: By that date the  
5 appeal had not been disposed of?

6 A. No, it had not, my lord. Then  
7 I wrote to the Minister on July 3rd.

8 MR. ESTEY: I was talking about the  
9 police report of August 13th.

10 THE COMMISSIONER: He said there was  
11 one before that.

12 A. It is a short report.

13 THE COMMISSIONER: Q. You sent a memo  
14 to the Minister?

15 A. Yes, on July 3rd, in which I  
16 say that two persons have been convicted  
17 and the convictions were being appealed.  
18 I also advised Chief Mackey and asked if the  
19 club was still operating. I am sorry, my  
20 lord, this report of January 13th was in  
21 response to my enquiry as to whether the  
22 club was operating, and he said it was.

23 Q. And you had an exchange with the  
24 Attorney General's Department?

25 A. Yes.

26 Q. And you put the club on notice  
27 that if they continued to operate you would  
28 cancel?

29 A. Yes, on July 5th.  
30



INTERVIEW OF [Name]

Q. Now, I am speaking of the report of

your July 1934.

THE COMMISSIONER: By that date the

appeal had not been disposed of.

Q. And as a result, in July, 1934,

I wrote to the Minister on July 3rd.

MR. KERRY: I was talking about the

policy of the Department.

THE COMMISSIONER: He said there was

no delay.

A. It is a short report.

THE COMMISSIONER: I am not a lawyer.

Q. Now, in July 1934,

A. Yes, on July 3rd, in which I

said that two persons have been convicted

and the convictions were being appealed.

I also advised Chief Kennedy and asked if the

case was being operated. I am sorry, my

lord, the report of January 1934 was in

reference to my enquiry as to whether the

case was operating, and he said it was.

Q. And you had an exchange with the

Commissioner in July 1934?

A. Yes.

Q. And you put the case on notice

that if they continued to operate you would

A. Yes, on July 3rd.





1 Q. That takes me down to Thurston's  
2 report of August 13th?

3 A. Yes.

4 Q. This is really the third police  
5 report?

6 A. Yes.

7 Q. It is rather long and I do not  
8 suggest you read it, but the upshot of that  
9 was that you could see almost at a glance  
10 there was gambling going on and they went  
11 through the motions of putting up a sign,  
12 "You must not gamble here", which the  
13 Inspector says was nothing but an insult to  
14 one's intelligence. Do you see that in the  
15 second last paragraph?

16 A. Yes, here it is.

17 Q. Would you read the last paragraph?

18 A. Yes.

19 "It is respectfully requested  
20 "that the aforementioned information  
21 "be forwarded to the Provincial  
22 "Secretary for immediate cancellation  
23 "of the charter."

24 Q. What did you do with that report?

25 A. On August 17th, 1962, the day  
26 after it was received, I referred it to the  
27 Minister.

28 Q. Finally, I think the last entry  
29 on the file was August 25th, 1962, with three  
30



Q. That takes me down to Thurston's

report of August 1902

A. Yes.

Q. This is really the third police

report?

A. Yes.

Q. Is it a rather long and I do not

suggest you read it, but the report of this

was that you could see almost as a glance

that the situation was not what it

seemed through the motion of putting up a sign,

"You need not make haste", which the

inspector says was nothing but an insult to

one's intelligence. Do you see that in the

report of August 1902

A. Yes, that is so.

Q. Now, you say that the report of August

A. Yes.

"It is respectfully requested

that the circumstances mentioned

be forwarded to the President

of the University of California

of the chapter.

Q. What did you do with that report?

A. On August 17th, 1902, the day

after it was received, I returned it to the

Finally, I think the last copy

of the report was given to the



1 suggested grounds and a memorandum from the  
2 Minister?

3 A. Yes, advising three suggested  
4 grounds, convictions of illegal gaming and  
5 disregard of the Department's orders to  
6 cease operation and any other possible grounds.

7  
8 (Page 13192 follows)





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Estadística social, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 26

Strongly condemn in effect to absolutism, democracy

attest the truth of the foregoing to the Department of the Interior

beats operation and other domestic products.

(page 27-28 of 101)



EE/FTP/1

1 Q. What happened after that?

2 A. And then I wrote ---

3 THE COMMISSIONER: Is that after the  
4 hearing?

5 A. No, this -- yes, then I wrote to --  
6 the letter was framed up in the Department and  
7 then I fixed a date for a hearing for  
8 October 12th. I wrote on September 25th  
9 fixing a date of the hearing for October 12th.

10 MR. ESTEY: Q. Has the appeal been  
11 disposed of?

12 A. Not that I know of, Mr. Estey.

13 Q. This is a reversal now, is it, of  
14 the policy that we had in the club this  
15 morning where you held it up pending the  
16 disposition of the appeal?

17 A. Well, the policy, as I said earlier  
18 this afternoon, our policy has always been,  
19 if there is an appeal, not to proceed, my  
20 lord, with the cancellation hearing or  
21 cancellation proceedings until the appeal  
22 is disposed of. This is a new procedure  
23 that has just been followed in these three  
24 clubs.

25 Q. We had some short debate this  
26 morning on whether or not you should not  
27 forfeit anyway if forfeiture is there,  
28 regardless of criminal proceedings. I take  
29 it that in the case of Club Parthenon that is  
30



10/1/41

A. And then I wrote --  
THE COMMISSIONER: In what letter the

hearing?  
A. No, this -- yes, then I wrote to --

the letter was turned up in the Department and  
then I fixed a date for a hearing for  
October 15th. I wrote on September 25th  
fixing a date of the hearing for October 15th.

Q. Now the appeal been  
disposed of?

A. Yes, I think so.  
Q. This is a reversal now, is it, or

the policy that we had in the club this  
morning where you held it up pending the  
disposition of the appeal?

A. Well, the policy, as I said earlier,  
this afternoon, our policy has always been,  
if there is an appeal, not to proceed, my  
word, with the cancellation hearing or  
cancellation proceedings until the appeal  
is disposed of. This is a new procedure  
that has just been followed in these cases.

Q. We had some short notice with  
morning on whether or not you should not

forfeit anyway if forfeiture is there,  
it that in the case of Club suspension that is





1 in fact what the Department was deciding to do?

2 A. Well, to have a hearing to  
3 decide on those grounds that are mentioned.

4 THE COMMISSIONER: That is, regardless  
5 of whether the appeal is disposed of or not?

6 A. That is true, yes.

7 MR. ESTEY: Q. Mr. Cudney, I now turn  
8 to the last club ---

9 THE COMMISSIONER: Just a moment. Now  
10 would be an appropriate time to enquire why  
11 they treated the matter in that way, which  
12 is in contrast to the policy or procedure  
13 adopted in earlier cases?

14 A. I can't say that, my lord. These  
15 reports were submitted to my Minister as  
16 they came in and, at his direction, I wrote  
17 the Attorney General's Department.

18 Q. Was there any discussion in  
19 the Department with respect to the adoption  
20 of a new policy?

21 A. No, there was not.

22 Q. All right.

23 A. I mean, it would not, my lord, to  
24 my mind -- at least, I can't recall if it  
25 was announced as a new policy at all.  
26 Whether it was to be policy generally now  
27 as a policy, I cannot recall that it was  
28 mentioned.

29 Q. All right.  
30

EE/2

in fact when the Department was deciding to do

A. Well, to have a hearing to

THE COMMISSIONER: That is, regarding

of whether the appeal is disposed of or not?

A. That is true, yes.

MR. KATZ: O. Mr. Chairman, I now turn

to the last club ---

would be an appropriate time to endorse what

they touched the matter in that way, which

is in contrast to the policy or procedure

adopted in earlier cases?

A. I can't say that, my lord. These

reports were submitted to my Minister as

they came in and, at his direction, I wrote

Q. Was there any discussion in

the Department with respect to the adoption

of a new policy?

A. No, there was not.

Q. All right.

A. I mean, it would not, my lord, go

my mind -- at least, I can't recall it.

was announced as a new policy at all.

whether it was to be policy generally or

as a policy, I cannot recall that it was





1 A. It might have been but I can't  
2 remember that it was.

3 MR. ESTEY: Q. The next club is the  
4 Sun Sun, File 58755.

5 A. There is one thing I may say, my  
6 lord, in respect to these three clubs. There  
7 has been a lot of subsequent police  
8 representations that has not been followed  
9 in the case of others. I mean, there have  
10 been a number of police reports subsequent,  
11 whether that had anything to do with it.

12 THE COMMISSIONER:

13 Q. The three here that you speak  
14 about are the Parthenon ---

15 A. The Parthenon, Atlas and Arlington,  
16 my lord.

17 MR. ESTEY: Parthenon, Atlas ---

18 A. And Arlington.

19 Q. Those are clubs where there are  
20 appeals, where there are parallel proceedings?

21 A. Parallel proceedings, yes.

22 THE COMMISSIONER: No.

23 A. Well, except ---

24 Q. In two of them they did not proceed  
25 pending their appeal; in the Parthenon they  
26 did proceed pending thdr appeal.

27 MR. ESTEY: I mean, they are all cases  
28 of criminal proceedings down this avenue and  
29 either actual or threatened proceedings  
30 under the Corporations Act on a parallel.





A. It might have been but I can't

remember that is not.

MR. HENRY: Q. The next club is the

and then, late 1955.

A. There is one thing I may say, Mr.

Lord, in respect to these three clubs. There

has been a lot of subsequent police

investigation that has not been followed

in the case of others. I mean, there have

been a number of other reports which

whether they had anything to do with it.

A. The first one, Allen and Anderson,

and the second one.

A. The first one, Allen and Anderson,

is that.

MR. HENRY: Q. Now, what about the

the second one.

A. There are clubs where there are

clubs, some have and some have not.

A. Parallel proceedings, yes.

THE COMMISSIONER: Q.

A. Well, except ---

Q. In two of them they did not proceed

pending their appeal; in the first one they

did proceed pending their appeal.

MR. HENRY: I mean, they are all cases

of criminal proceedings, don't you agree and

either actual or threatened proceedings

under the Corporations Act on a parallel.



1 THE COMMISSIONER: That is right.

2 MR. ESTEY: Two they held up and one the  
3 Department went ahead, is that correct?

4 A. No, they are all three parallel  
5 proceedings. The grounds -- I think in  
6 Arlington there is no mention the ground  
7 being illegal gaming, because subsequent --  
8 I mean in the other two there has been  
9 subsequent evidence there from the police  
10 reports of the illegal gaming. This is  
11 apart from the facts upon which the conviction  
12 was based, but we did not -- I think it is  
13 in Arlington -- we did not refer in the  
14 grounds to illegal gaming.

15 Q. No.

16 A. But we did in the other two, and  
17 I think we -- there are two grounds common  
18 to the whole three.

19 THE COMMISSIONER: But this is the first  
20 instance in which you proceeded pending an  
21 appeal?

22 A. That is true, my lord.

23 MR. ESTEY: Q. I take it from what you  
24 said and from what you have read from the  
25 file, that this policy or decision by the  
26 Department is really brought about by the  
27 circumstances of the repeated use of the  
28 charter for what the Department considered  
29 to be wrongful purposes, and that rather than  
30



THE COMMISSIONER: That is right.

MR. BRYAN: Two they held up and one the

A. Yes, they are all three parallel

proceedings. The grounds -- I think in

being illegal gaming, because apprehended --

spent from the facts upon which the conviction

was based, but we did not -- I think it is

in Arlington -- we did not refer in the

Q. No.

A. But we did in the other two, and

I think we -- there are two grounds common

THE COMMISSIONER: But this is one thing

instance in which you proceeded pending, in

A. That is true, my Lord.

MR. BRYAN: O. I take it from what you

said and from what you have read from the

file, that this policy of action by the

department is really brought about by the

circumstances of the repeated use of the

character for what the department considers

to be illegal gaming, and that is why





1 allow this to continue pending appeal, you took  
2 the other route of trying to bring the charter  
3 to an end?

4 A. For repeated use, you see, Mr.  
5 Estey, of the charter for ---

6 Q. Well, you have got four police  
7 reports on this club?

8 A. Well, that could have been what  
9 prompted it. I mean, the fact that there  
10 have been a number of police reports that  
11 have come in -- I think it is the Atlas, yes,  
12 the subsequent number, at least more than  
13 one, anyway, subsequent to the first report  
14 on which we proceeded to cancel.

15 Q. The Atlas had four; Parthenon,  
16 depends how you count them, but I think  
17 four also. Now, if you cannot add anything  
18 further to the reasoning of why you changed  
19 or why you adopted that course in the  
20 Parthenon, I would like to direct your  
21 attention briefly to the Sun Sun Social  
22 Club.

23 MR. WILSON: That is in the brief at  
24 33, 79 and Appendix H at 26.

25 MR. ESTEY: Q. This is a case of the  
26 club wishing to move its headquarters;  
27 permission denied, so the club is inoperative  
28 without a base, do you remember that?

29 A. Yes, that is the Sun Sun Club  
30



allow this to continue pending appeal, you can  
 the other side of trying to bring the character  
 to an end?

A. For happened me, you see, Mr.  
 Kasey, of the character for ---

Q. Well, you have got your police  
 reports on this case?

A. Well, there could have been this  
 proposed it. I mean, the fact that there  
 have been a number of police reports that  
 have come in -- I think it is the Adams, too,  
 one, anyway, subsequent to the first report  
 on which we proceeded to cancel.

Q. The Atlas had four; Bartholomew,  
 depends how you count them, but I think  
 four also. Now, if you cannot substantiate  
 further to the reasoning of why you changed  
 or why you adopted that course in the  
 Bartholomew, I would like to direct your  
 attention directly to the San San Social

MR. WESSON: That is in the order of  
 35, 79 and Appendix H at 25.

MR. WESSON: This is a case of the  
 also wishing to move for reconsideration;  
 permission denied, as the club is inactive  
 without a name, do you remember that?  
 A. Yes, that is the San San Club





1 incorporated 1941; premises limited to 92  
2 Elizabeth Street.

3 Q. In passing through to your more  
4 important developments later, I see that  
5 again we have the annual returns for the  
6 years 1950 to 1955 inclusive being filed  
7 in 1955?

8 A. Well, the 1950 return was filed  
9 in 1950.

10 Q. What about 1951, was that not ---

11 A. 1951 was filed in 1955; the  
12 same with 1952; the same with 1953; the  
13 same with 1954; and 1955 in 1955.

14 Q. The police reports at the time  
15 of the incorporation, Mr. Gudney, I see the  
16 Metropolitan Toronto Police strongly  
17 recommending refusal of the charter as  
18 the premises had been convicted. I presume  
19 that is paraphrasing and there has been  
20 convictions on the premises, and two of  
21 the persons mentioned in the application  
22 were obvious fronts for gambling interests.  
23 Is that a fair summary of Chief Chisholm's  
24 report of February 1st, 1949?

25 A. Yes, that seems to be, that  
26 there has been a number of convictions  
27 that have occurred on the premises.

28 Q. I see no indication as to whether  
29 or not you recommended for or against this  
30





... 1934; ...  
 ... Street,

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 ...  
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 ...

A. ...  
 ...

O. ...  
 A. ...

...  
 ...

... The police reports at the time  
 of the investigation, Mr. Gurney, I see the

...  
 ...

... the premises had been converted. I presume  
 that its purpose was and there has been

... on the premises, and two or  
 the persons mentioned in the application

... were obvious from the ...  
 ...

...  
 A. ...

... there has been a number of conversions  
 that have occurred on the premises.

...  
 ...



1 charter, do you remember?

2 MR. WILSON: That is the view of the O.P.P.?

3 THE COMMISSIONER: No, Metro Police  
4 strongly recommended against the granting of  
5 the charter on the ground of conviction on  
6 the premises.

7 THE WITNESS: Conviction on the premises.

8 THE COMMISSIONER: And what? And some  
9 of the applicants were fronts for other  
10 persons?

11 A. Yes. I will just look at the  
12 applicants, my lord. Well, it was not the  
13 applicants. There was another person who  
14 was connected with the club or who would  
15 be connected with the club who was convicted.  
16 I don't see that -- it says here that the  
17 applicants are three persons and I do not  
18 see in their reports that they appear to  
19 have any ---

20 MR. ESTEY: Q. Chief Chisholm says  
21 that the name -- I can't read them though  
22 I would rather you read them because I  
23 can't be sure I am right -- were obvious  
24 fronts for gambling interests. Does it  
25 name the people?

26 A. It names Quan Choo, Bing Chu  
27 and Quan Chuen, and these are the three  
28 applicants and he does not mention here that  
29 they have any conviction.  
30



Q. Now, what is the view of the G.P.P.?

A. The Commission; No, Negro Police

Q. Now, did you recommend against the granting of

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.

Q. Now, did you

A. Yes, I did.





1 THE COMMISSIONER: No, no.

2 MR. ESTEY: Q. Would you read to his  
3 lordship this paragraph?

4 A. Yes, he says:

5 "In view of the statements made by

6 "Quan Chuen and Bing Chu . . . " --

7 those are two of the applicants --

8 " . . . it would appear that these

9 "individuals are being used as

10 "mere fronts and were chosen for

11 "their apparent good character

12 "in order to obtain a charter to

13 "enable the Chinese gambling

14 "fraternity to carry on their

15 "illegal activities under the

16 "protection of a provincial

17 "charter."

18 Q. Now, in like circumstances, in  
19 the Spadina Social and Card Club ---

20 THE COMMISSIONER: Just a moment. Why  
21 not clean up this old Sun Sun Social Club  
22 and then you can compare.

23 MR. ESTEY: All right.

24 THE COMMISSIONER: This report is from  
25 Metro. Did the O.P.P. make a report?

26 A. Yes, I have that here, my lord.

27 The O.P.P. have a short report in which they say:

28 "The three petitioners have no criminal

29 "or gaming house records with the police  
30



MR. BENTLEY: Now, you need to his

A. Yes, he says:

"Glen Green and King and . . ."

" . . . to want appear that thing

"individuals and being used as

"their apparent good character

"in order to obtain a charter to

"intentionally to carry on their

"illegal activities under the

"protection of a provincial

G. Now, in the circumstances, in

the Spadina Social and Golf Club ---

THE CHAIRMAN: Just a moment, will

not open up this old San Social Club

and then you can compare.

MR. BENTLEY: All right.

THE CHAIRMAN: Let's return to that

report. Did the O.P.F. make a report?

A. Yes, I have that report, my lord.

The O.P.F. have a report in which they say:

"The three positions have no criminal

"or gaming house records with the police





1 "forces."

2 At that time, my lord, at first we were  
3 only asking whether the applicants had any  
4 criminal record, and this is in 1949. Our  
5 practice was different after 1950. Then I  
6 can't say, I can't remember -- of course,  
7 my practice, as I mentioned before, has  
8 always been to take an adverse report up  
9 with my Minister before it would be granted,  
10 unless it was -- or else turn it down  
11 myself. If I didn't think there was  
12 sufficient, or there was any doubt I would  
13 take it up with the Minister. I don't  
14 recall any case where I hadn't. That has  
15 been my general practice, my lord, but I  
16 can't remember this particular case.

17 Q. Well, you said something a moment  
18 ago that I would like to get clarified. You  
19 say up until 1950 you only asked the  
20 different police organizations for advice  
21 as to whether or not any of the applicants  
22 had criminal records?

23 A. Had criminal records, especially  
24 in respect to the operation of a gaming house.

25 Q. Yes. In 1950 did you change  
26 that policy?

27 A. Yes, we changed the policy.

28 Q. So as to ask them what?

29 A. Well, asked them whether they had  
30





At this time, my lord, at this time we were only asking whether the application had any criminal record, and this in 1990. ...

can't say, I can't remember -- of course, my practice, as I mentioned before, has always been to take an adverse report up with my Minister before it would be granted, ...

myself. ... I didn't think there was anything, or there was any doubt I would take it up with the Minister. I don't recall any case where I hadn't. That has been my general practice, my lord, but I can't remember this particular case.

Q. Well, you said something a moment ago that I would like to see clarified. You say up until 1990 you only asked the different police organizations for advice as to whether or not any of the applicants ...

Q. Yes. In 1990 did you change ...

A. Yes, we changed the policy. ...

Q. Is it so that they ...

A. Well, asked them whether they had ...



1 any objection to the incorporation.

2 Q. Leaving the matter more or less wide  
3 open?

4 A. Yes. Then we have changed it  
5 back in the summer of 1961 to enquire whether  
6 the applicants have any records with respect  
7 to gaming convictions, and the view of the  
8 police with respect to the premises from a  
9 policing point of view.

10 Q. Just a moment. I want to get  
11 this clear. Up until 1950 you only referred  
12 to the police for the purpose of obtaining  
13 from them whether any of the applicants  
14 had criminal records, particularly for  
15 gaming?

16 A. That is true, my lord.

17 Q. Then in 1950 you changed that  
18 policy?

19 A. Yes.

20 Q. And you referred it to the police,  
21 and did you ask them under this new policy  
22 if they had any objection. Is that the way  
23 you put it?

24 A. Yes, "Have you any objection  
25 to the incorporation?" Actually, the  
26 memorandum that I wrote to the staff, my  
27 lord, in the summer of 1950, was expressed  
28 this way, that we should write to the police,  
29 I think it was, as to their views as to  
30



any objection to the incorporation.

Q. Leaving the matter more or less open?

open?

A. Yes. Then we have changed it.

back in the summer of 1901 to inquire whether

the applicants have any records when respect

to gaming convictions, and the view of the

police with respect to the question from a

calling them in.

Q. Just a moment. I want to get

the clear. Up until 1900 you only returned

to the police for the purpose of obtaining

from them whether any of the applicants

had previous records, is that correct?

Correct.

A. That is true, my lord.

Q. Then in 1900 you changed that

policy?

A. Yes.

Q. And you returned it to the police,

and did you not then under this new policy

if they had any objection. Is that the way

you put it?

A. Yes, "have you any objection

to the incorporation?" Actually, the

memorandum that I wrote to the agent, my

lord, in the summer of 1900, was expressed

this way, that we should write to the police,

I think it was, as to their views as to





1 whether incorporation should be granted, and the  
2 view as to whether incorporation should be  
3 granted, but actually in practice it was  
4 just a matter of words. It meant the same  
5 thing. We would say at the end of a week,  
6 we would set out the facts of the  
7 application and enquire: Have you any  
8 objection to the granting of this incorporation?

9 It was found, I believe (that was part  
10 of the trouble in 1950 when the new policy  
11 was enacted) that it was not giving the  
12 police quite enough information, or at  
13 least the police rather claimed that just  
14 the records of the applicants themselves  
15 did not tell us too much. We wanted to  
16 get further advice as to whether they had  
17 any objection as to incorporation, any  
18 objection to the incorporation which  
19 would ---

20 MR. ESTEY: Q. At that time you also  
21 started to take ---

22 THE COMMISSIONER: Just a minute, Mr.  
23 Estey. Go ahead.

24 A. --- which would give us the  
25 full picture, rather than just in respect to  
26 the applicants, because the applicants might  
27 be men of straw, they might be fronts.

28 Q. But the mere fact that the  
29 Metro, for example, might say, "We don't think  
30



whether incorporation should be granted, and the

...but usually in practice it was

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

How do the stars in your dream feel?

no money left of the income of the

It was found, I believe (that was part

to the trouble in 1957 when the new policy

new investment and encourages the growth of the

did not tell us too much. We wanted to

no matter how much it is needed

— 1898 —

— 95 —

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and an eye below each eye 4





1 it wise to grant this charter", without giving  
2 you any reasons, would not help you very much?

3 A. No. They would give reasons,  
4 I think. I mean, they wouldn't just -- we  
5 have never had a report in which there  
6 wouldn't be reasons, I don't think at least.

7 Q. I see, that was the policy you  
8 put into effect in 1950, but I understood  
9 you to say that you changed that some time  
10 later?

11 A. I think it was in the summer of  
12 1961 in which we now write to the police  
13 enquiring as to whether the applicants have  
14 any record, and their view of the premises  
15 from the policing point of view. That is  
16 mentioned in the brief, my lord.

17 MR. ESTEY: Q. I was going to say  
18 this policy of change in 1950 was perhaps  
19 not unconnected with the fact that you  
20 had at the same time inaugurated the policy  
21 of fixing the club to a specific address.  
22 I take it that it would follow that the  
23 police might be interested in reporting  
24 to you on the suitability of those premises?

25 A. Well, it was -- that was  
26 apparently the reason, I think, Mr. Estey,  
27 but I think the reason was that the idea  
28 was to obtain further information from the  
29 police.  
30





is that we have not been able to get any more information from the  
 the only person who was in the room at the time was the  
 A. I think it was in the summer of 1950, but I understood  
 you to say that you changed that some time  
 later.

A. I think it was in the summer of 1950 in which we now write to the police  
 indicating as to whether the applicant has  
 any record, and based view of the premises  
 from the police point of view. That is  
 mentioned in the letter, my lord.  
 This policy of change in 1950 was perhaps  
 not associated with the fact that you  
 had at the same time inaugurated the policy  
 of fixing the club to a specific address.  
 I take it that it would follow that the  
 police might be interested in reporting  
 to you on the antiquity of those premises.  
 A. Well, it was -- that was

especially in the case of I think the police  
 and I think the reason was that the fact  
 was to obtain further information from the  
 police.



1 Q. On everything?

2 A. On everything.

3 Q. Related to the club?

4 A. Yes.

5 Q. And their recommendation, so I take  
6 it that after that new policy you received a  
7 greater number of adverse reports than  
8 before that date in 1950?

9 A. A greater number of adverse reports  
10 than before 1950?

11 Q. Yes.

12 A. Yes, it depended. Sometimes the  
13 police even before 1950, while they were  
14 asked, would give us much fuller reports  
15 than just on the applicants, as appears in  
16 this Metro report, I mean, on the Sun Sun.

17 THE COMMISSIONER: Now, it will be one  
18 thing to get from the police such facts as  
19 they had knowledge of. It would be another  
20 to delegate to the police the decision as  
21 to whether the charter ought to be granted  
22 or not, because after all that was the  
23 responsibility of the Minister?

24 A. Oh, yes.

25 Q. No matter what the wording was,  
26 you were trying to get facts from the police?

27 A. That is right.

28 Q. On which the Minister would form  
29 his own opinion?  
30



Q. Now, is that correct?

A. Yes, that is correct.

Q. Related to the class?

A. Yes.

Q. And their recommendation, as I said

is that after that new policy you received a

greater number of adverse reports than

before that date in 1930?

A. A greater number of adverse reports

than before that date.

Q. Yes.

A. Yes, it depended. Sometimes the

police even before 1930, while they were

sent, would give as much fuller reports

than just on the applicants, as appears in

this Metro report, I mean, on the Sun Lane.

THE COMMISSIONER: Now, it will be one

thing to get from the police such facts as

they had knowledge of. It would be another

to delegate to the police the decision as

to whether the character ought to be granted

or not, because after all that was the

responsibility of the authority.

A. Yes.

Q. Now, what the would be was,

you were trying to get facts from the police?

A. That is right.

Q. Now, the facts that you were

this one opinion?





1           A.       That is right, to get the facts  
2 from the police on which we would form an  
3 opinion, and the idea was to get as many  
4 facts or as complete a picture as possible.

5           Q.       All right.

6           A.       That is why it was changed in 1950.

7           MR. ESTEY: Q.   So that as to the Sun Sun  
8 Club we have a Metro Police report strongly  
9 recommending refusal, and we have an O.P.P.  
10 report saying there is no record of  
11 convictions against these people?

12          A.       Yes, the Provincial Police confined  
13 their reply to our enquiry.

14          Q.       In a somewhat similar situation  
15 in Spadina Social and Card Club, when you  
16 were faced with this rather strong (in that  
17 case) Provincial Police report, inferring  
18 that people were the front for others, you  
19 interviewed Mr. Slater and one other gentleman  
20 who were applicants. In this case, did you  
21 interview these two people who were said  
22 by the police to be fronts for gambling  
23 interests?

24          A.       Not to my -- I might have. I  
25 can't remember this incorporation at all,  
26 Mr. Estey, any more than I do remember  
27 the Spadina.

28          Q.       There is a memo on the file?

29          A.       There is no memo here.  
30



A. That is right, to get the facts

from the police on which we would form an

opinion, and the idea was to get as many

views as we could get from the public.

A. All right.

Q. That is why in the case of the

Mr. Miller, Q. So that in the case of

Q. And we have a Negro Police report accordingly

recommending retirement, and we have an C.P.D.

report saying there is no record of

any previous arrests or convictions.

A. Yes, the Provincial Police confirmed

that there is no record.

Q. And the Provincial Police confirmed

in the Social and Civil Club, when you

were faced with this rather strong (in that

case) Provincial Police report, inferring

that people were not honest for others, you

interviewed Mr. Slater and one other gentleman

who were applicants. In this case, did you

interview these two people who were said

by the police to be honest for gambling

purposes?

A. Not so far -- I might have. I

can't remember this inscription of all.

Q. Now, you said that in the case of

the Spelling.

Q. There is a memo on the file

A. There is no memo here.





1 Q. And you don't remember whether  
2 you recommended that the charter be refused  
3 and the Minister directed it to be issued,  
4 or just what happened?

5 A. No, I only know my general  
6 practice.

7 Q. Which you told us?

8 A. I can't remember, yes.

9 Q. So the next development then,  
10 I believe, Mr. Gudney, is a further police  
11 report from the Metropolitan Toronto Police,  
12 or the City Police, of 7th February, 1951,  
13 in which they recommend cancellation of  
14 the charter?

15 THE COMMISSIONER: On what grounds?

16 MR. ESTEY: On the grounds of convictions,  
17 a list of people in the report, I believe.  
18 I think four convictions there.

19 THE WITNESS: A letter dated February 7th,  
20 1951, from Chief Chisholm to myself, enclosing  
21 the report of Inspector Lee and there are  
22 convictions.

23 MR. ESTEY: Q. Then as the result of  
24 receiving that, there is a memorandum in  
25 the file -- go ahead.

26 THE COMMISSIONER: Convictions on the  
27 premises?

28 A. Yes.

29 Q. Of gaming on the premises?  
30





AND YOU DON'T KNOW IT

TO THE HONORABLE SENATE

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• 8107 • TOLSON ST 1000 I • A

...to the next development stage.

to which they recommend cancellation of

THE CHURCH

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1. I think you've got a good idea.

...the ... of ...

to flower and as none .5 : YOUTH . 191

Receiving that, there is a restaurant in

the file -- so much.

• 29Y • 4

6. Of having on the grounds



1 A. On the premises at 92 Elizabeth  
2 Street, my lord, for keeping a common gaming  
3 house, four persons are convicted.

4 MR. ESTEY: Q. Yes, I think it says  
5 there are thirty-two found-ins and four  
6 convicted?

7 A. Yes.

8 Q. You then advised the Chief that  
9 steps were being taken to cancel the charter,  
10 and on 15th February, 1951, there is a  
11 memorandum on the file dealing with a  
12 recommendation by the Provincial Secretary.  
13 Can you tell me what that is?

14 A. I advised the police and then  
15 I wrote to the club advising a conviction  
16 had been drawn to our attention and we were  
17 going to cancel the charter. Then in those  
18 days we cancelled the charter under the  
19 Act by order-in-council rather than by  
20 order of the Minister, and for an order-in-  
21 council this was a recommendation to the  
22 council that the charter be cancelled.

23 Q. Right, then did you proceed  
24 to cancellation?

25 THE COMMISSIONER: What date did you  
26 write the club?

27 A. I wrote the club on February 14th,  
28 1951, and then it does not seem to proceed.  
29 Then there is a letter from me to T.B. Horkins,  
30







1 "Re Sun Sun Club".

2 Q. Dated?

3 A. Dated February 22nd, 1951:

4 "Last week you spoke to me about  
5 "the Club, and I have withheld the  
6 "cancellation of the charter. I would  
7 "appreciate hearing from you as soon  
8 "as possible in this matter as I  
9 "cannot hold up the matter of the  
10 "cancellation too long."

11 Then there is a letter from T.B. Horkins.

12 Q. Dated?

13 A. Dated February 24th, 1951,  
14 addressed to me, and he says, acknowledging  
15 receipt of my letter:

16 "Regarding your Department  
17 "giving some thought to the cancellation  
18 "of the charter of the Sun Sun Social  
19 "Club, may I earnestly petition that  
20 "there be no cancellation of this  
21 "particular charter. This particular  
22 "club has never had a conviction  
23 "registered against it and there  
24 "has never been found any bona fide  
25 "complaint proved against this club.  
26 "It is true that on January 25th,  
27 "1951, they did keep a common gaming  
28 "house at 92 Elizabeth Street.  
29 "While this address is the address  
30



"Last week you spoke to me about

"the Club, and I have withheld the

"cancellation of the charter. I would

"appreciate hearing from you as soon

"as possible in this matter as I

"cannot hold up the matter of the

Then there is a letter from T.B. Holmes.

admitted to me, and no reply, acknowledging

receipt of my letter.

"giving some thought to the cancellation

"of the charter of the San Juan Society.

"Club, may I earnestly petition that

"there be no cancellation of this

"Club has never had a conviction

"registered against it and there

"has never been found any bona fide

It is true that on January 28th,

house at 2114 North Street.

"While this address is the address



1 "of the Sun Sun Social Club, nevertheless  
2 "there are two parts to this building,  
3 "an upstairs and downstairs, and the  
4 "conviction was against four individuals  
5 "and not against the entire premises;  
6 "nor actually against 92 Elizabeth  
7 "Street.  
8 "Further with regard to the  
9 "four individuals convicted, none of  
10 "these four individuals were proven  
11 "to be officers of the Sun Sun Club.  
12 "One of the accused, Howman Pong  
13 "had admittedly some connection with  
14 "the Sun Sun Social Club, but the  
15 "charge against him was dismissed,  
16 "as were the charges against eight  
17 "other accused. The four accused  
18 "that were convicted were alleged  
19 "to have been at gaming tables in  
20 "the operation of games at these  
21 "tables, and there is no proof that  
22 "any of these men had any control  
23 "over the premises whatsoever. As  
24 "a matter of fact the convictions  
25 "against these four men are presently  
26 "under review by the Ontario Court  
27 "of Appeal, and it is my firm  
28 "belief and hope that the convictions  
29 "against them will be quashed.  
30





"of the Blue and Boreal Oats, never before

"there are two parts to this meeting,

"an upstart and downstart as I am!"

• • • • •

"Fletcher with regard to the

10 noon, Describes a beautiful spot

"to be officers of the San Juan Club."

"the sun has social class, but the



1 "It was proved --- "

2 Will I go on?

3 MR. ESTEY: Q. Not unless you see something  
4 new and different ahead of you. I would  
5 suggest that we move on to find out whether  
6 you in fact agreed that you would take no  
7 steps until the appeal was dealt with?

8 A. He mentions here that it is  
9 under appeal.

10 Q. Yes, don't you on the 28th  
11 February write to him and say you are not  
12 going to proceed until it is dealt with?

13 A. I write to him on February 28th:  
14 " . . . that you are appealing the  
15 "conviction. We will take no steps  
16 "until the appeal is disposed of."

17 Then I so advised Inspector Lee, and then  
18 I write to Inspector Lee on November 30th,  
19 1931:

20 "From a conversation we had  
21 "some time ago, I seem to recall  
22 "your stating the conviction had been  
23 "quashed on appeal, but would  
24 "appreciate if you can confirm my  
25 "assumption in this regard."

26 There is a letter from Inspector Lee:

27 "With reference to your letter,  
28 "please be advised that Sergeant  
29 "Greerson was at the Court of Appeal  
30



"Greenman was at the Court on Appeal

"He was advised that Sergeant

"With reference to your letter,

There is a letter from Inspector Lee:

"Sergeant Lee has advised:

"Sergeant Lee has advised:

"Sergeant Lee has advised:

"Your stating the conviction had been

"Some time ago, I need to recall

"From a conversation we had

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

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"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date

"I am sorry I cannot recall the date





1 "and the conviction was quashed."

2 Then there is a letter to Horkins -- that  
3 was 1951. Then this jumped to 1955. Then I  
4 refer to the annual returns, so apparently it  
5 was quashed and I take it then nothing was  
6 done.

7 Q. It was quashed, and I was going  
8 to ask you if you knew whether there was any  
9 evidence in the trial indicating gambling  
10 which would allow you to proceed whether  
11 or not there had been a conviction?

12 A. I cannot remember this, Mr. Estey.  
13 It is eleven years ago.

14 Q. All right, what was your next  
15 contact from the police?

16 A. Actually the next contact was  
17 from me to the police. In 1959 it was  
18 brought to my attention that the club had  
19 moved the location of its head office, or  
20 the premises, from 92 Elizabeth Street, and  
21 the annual return was 14 Hagerman Street.  
22 I made enquiry of the police and enquired  
23 if the club had moved. The annual return  
24 was brought to my attention by the returns  
25 office.

26 THE COMMISSIONER: What year was that?

27 A. 1959, my lord, and I had the  
28 Metro Police, asked them if they would make  
29 enquiry to see if the club had moved. From  
30



"and the conviction was quashed,"  
 "then there is a letter to Hoxkins -- that  
 refer to the annual returns, no opportunity is  
 was quashed and I take it then nothing was  
 done."

C. It was quashed, and I was going  
 to ask you if you knew whether there was any  
 evidence in the trial indicating gambling  
 or not there had been a conviction?  
 It is eleven years ago.

A. All right, what was your next  
 contact from the police?  
 from me to the police. In 1939 it was  
 brought to my attention that the club had  
 moved the location of its head office, or  
 the premises, from 28 Elizabeth Street, and  
 the annual return was in the same street.  
 I made enquiry of the police and enquired  
 if the club had moved. The annual return  
 was brought to my attention by the return  
 office.

THE COMMISSIONER: What year was that?  
 A. 1939, my lord, and I had the  
 Metro Police, asked them if they would make  
 enquiry to see if the club had moved. From





1 statements from persons at 14 Hagerman Street  
2 which I remember back now (it is more recent)  
3 it was an apartment at the back of a store  
4 on Hagerman Street, and some person there  
5 said it was the club. So I had a hearing,  
6 I sent out a cancellation letter and had a  
7 hearing in respect to the cancellation of  
8 the charter. I was away at the time. Mr.  
9 Lavine took the hearing and, reading over  
10 the evidence, when I talked with him it  
11 appeared there was not sufficient to cancel  
12 the charter. That was in 1959. There  
13 was a group of Chinese, it seemed from the  
14 evidence, meeting there, and the head office  
15 was there. The evidence was not sufficient  
16 to tie it in with the club as operating  
17 there.

18 Q. Then you had a police report  
19 February 22nd, 1960?

20 A. Yes. Then there is a police  
21 report on February 22nd, 1960.

22 THE COMMISSIONER: Metro?

23 A. Metro Police report,,Chief Mackey,  
24 and attaching a report from Inspector Walker.  
25 He refers to ---

26 MR. ESTEY: Q. In any case he recommends,  
27 the report, does it not, recommends cancellation  
28 as the club is not a bona fide organization?

29 A. Yes. I was just wondering.  
30



which I remember back now (it is more recent)

it was an apartment at the back of a store

on the street, and I had a hearing,

said it was the club. So I had a hearing,

I was not a representative person and had a

hearing in respect to the cancellation of

the membership. I was not a representative person

having took the hearing and, meeting over

the evidence, when I talked with him in

respect to the cancellation of the membership

the character. That was in 1933. There

was a group of Chinese, it seemed from the

evidence, meeting there, and the head office

was there. The evidence was not sufficient

to tie it in with the club as operating

Q. Then you had a police report

A. Yes. Then there is a police

report on Kennedy Road, 1933.

THE COMMISSIONER: Yes?

and nothing; a report from Inspector Wilson.

He refers to --

MR. WATKINS: Yes. In any case no recommendation.

the report, does it not, recommend cancellation

as the club is not a bona fide organization?

A. Yes. I was just mentioning.



1 This club applied for a supplementary. I don't  
2 know whether that was in connection with the  
3 supplementary.

4 Q. That is the following year, I  
5 think, Mr. Cudney?

6 A. Yes, that was the following year.  
7 Yes, that is true. He recommends cancellation.

8 Q. What did you do with that police  
9 report?

10 THE COMMISSIONER: On what grounds though?

11 A. "It is apparent that there is a  
12 "breach of the charter."

13 He says -- I said 1959. Now, this hearing  
14 that started, it was in the annual return of  
15 1959, but this report that I read from Walker,  
16 this police report that you have here from  
17 Walker, is in reply to my enquiry of  
18 February 8th, 1960, where I wanted them to  
19 enquire to see if the club had ---

20 Q. Had moved?

21 A. Had moved, that is true.

22 Q. I see.

23 A. And he said he recommended the  
24 cancellation and then, as I explained, my  
25 lord, I called a hearing.

26 Q. Well, he suggested that they had  
27 moved, I suppose?

28 A. That they had moved because they  
29 had interviewed, I think, people at the  
30



This club applied for a supplementary, I don't

know whether it was an application for the

supplementary.

That in the following year, I

know, Mr. [unclear]

A. Yes, that was the following year.

Yes, that is true. He recommends cancellation.

Q. What did you do with that policy

number

to [unclear] [unclear] [unclear] [unclear]

the [unclear] [unclear] [unclear] [unclear]

"proceed of the chapter."

the [unclear] -- I will [unclear] [unclear] [unclear]

and started, it was in the annual report of

1931, but this report that I read from Walker,

this police report that you have here from

Walker, in the reply to my inquiry of

February 22, 1933, where I wanted them to

continue to see if the club had ---

Q. Had moved?

A. Had moved, that is true.

Q. I see.

A. And he said he recommended the

cancellation and then, as I explained, my

word, I called a meeting.

Q. Well, he suggested that they had

been [unclear]

A. That they had moved because they

had intervened, I think, people at the





1 premises.

2 Q. That is all right. Let us get on  
3 then. The evidence was not sufficient?

4 A. Was not sufficient.

5 MR. ESTEY: Q. I do not see any report  
6 on that here. What did you do in that case?  
7 Did you put a transcript in the file?

8 A. In those days we did not take a  
9 transcript of evidence. We have taken a  
10 transcript since January of 1960 of the  
11 evidence.

12 MR. WILSON: Before that.

13 MR. ESTEY: Q. Since January, 1960?

14 A. January, 1960.

15 Q. This is February or March of 1960.

16 A. I am sorry, there was a transcript  
17 of that evidence. Here it is.

18 Q. You have one. All right, let us  
19 get on. In any case, you found there was  
20 not enough ground there to cancel, so what  
21 happened next? The supplementary letters  
22 patent application I think is next, March 10,  
23 1960. They wanted to move?

24 A. They wanted to move.

25 Q. To 121 Dundas?

26 A. They wanted to move from --  
27 supplementary letters patent to move from  
28 92 Elizabeth Street to 121 Dundas West, and  
29 the application was referred to the ---  
30



Q. Now, what is the date of the first report?

A. That is all right, let us get on.

Q. Now, what is the date of the second report?

A. Was not sufficient.

Q. Now, what is the date of the third report?

A. I do not see any report.

Q. Now, what is the date of the fourth report?

A. In those days we did not take a

transcript of evidence. We have taken a

transcript since January of 1900 of the

transcript.

Q. Now, what is the date of the fifth report?

A. I do not see any report.

Q. Now, what is the date of the sixth report?

A. I do not see any report.

Q. Now, what is the date of the seventh report?

A. I do not see any report.

Q. Now, what is the date of the eighth report?

A. You have one, all right, let us

get on. In any case, you found there was

not enough ground there to cancel, so what

transcript was taken.

Q. Now, what is the date of the ninth report?

A. They wanted to move.

Q. Now, what is the date of the tenth report?

A. They wanted to move from --

Q. Now, what is the date of the eleventh report?

A. I do not see any report.

Q. Now, what is the date of the twelfth report?

A. I do not see any report.



1 Q. Provincial Police?

2 A. And the Metro.

3 Q. And the Metro. The Provincial  
4 Police reported on March 30th and they  
5 recommended against the move, I think?

6 A. Yes, the Provincial Police.

7 THE COMMISSIONER: All right, did they  
8 recommend against the move?

9 A. Recommended against the move.

10 MR. ESTEY: Q. Then on May 9th we have  
11 Mr. Mackey's report, Chief Mackey's report  
12 in which he strongly recommends cancellation  
13 of the charter.

14 THE COMMISSIONER: On what grounds?

15 MR. ESTEY: Q. Would you follow that?  
16 I do not have the original of that report.  
17 "Mr. Chu admitted when questioned that the  
18 purpose of moving to 121 Dundas was there  
19 would be more business there." Do you  
20 see that?

21 A. Yes.

22 THE COMMISSIONER: That would be a good  
23 reason.

24 MR. ESTEY: Yes.

25 THE COMMISSIONER: He recommended  
26 cancellation?

27 A. Recommended cancellation.

28 Q. What next happened?

29 MR. ESTEY: There is an interesting thing  
30





Q. Provincial Police?

A. Yes, sir.

Q. And the memo, the provincial

memo, is it the one that says

recommended against the move, I think?

A. Yes, the provincial memo.

Q. The Commission? All right, did they

recommend against the move?

A. Yes, sir.

Q. Now, when on May 25th we have

Mr. Macneil's report, General Macneil's report

in which he strongly recommended cancellation

of the project.

Q. The Commission? On what grounds?

A. On the grounds that it was

I do not have the original of that report.

"It was advised when discussed that the

purpose of moving to the barracks was that

would be more business there." Do you

see that?

A. Yes.

Q. The Commission? That would be a good

point.

A. Yes.

Q. The Commission? He recommended

cancellation?

A. Yes, sir.

Q. Now, when we have

Mr. Macneil's report, there is an interesting



1 in that report which will only take a moment to  
2 read. You will see further down:

3 "Harry K. Ong, in charge of the property

4 "at 121, did not know the name of the

5 "new club but only knew they were

6 "trying to get a new charter as the

7 "old one, Club 21, had been cancelled."

8 Do you see that? Club 21 we had this morning.

9 It seems a long time ago, but Club 21 was a  
10 case where there was trafficking and moving  
11 the charter around.

12 THE COMMISSIONER: They weren't moving  
13 the Sun Sun.

14 MR. ESTEY: They overlapped because they  
15 go into -- Club 21 was in the premises and  
16 Sun Sun tried to move in when Club 21 was  
17 cancelled.

18 THE COMMISSIONER: I see.

19 MR. ESTEY: Q. What do you do after the  
20 two police reports come in, and one recommends  
21 refusal of the application and the other  
22 recommends cancellation of the charter?

23 A. This police report was received  
24 on May 9th, 1961.

25 THE COMMISSIONER: That is Metro?

26 A. From Metro, my lord, and I see  
27 that Mr. T.H. Thomson wrote to Mr. Lavine  
28 (T.H. Thomson was a solicitor in the Department)  
29 and he said:  
30



in that report which will only take a moment to read. You will see further down:

Harry K. Gung, in charge of the property  
"at 121, did not know the name of the

"trying to get a new character as the  
"old one, Gung 21, had been cancelled."

Do you see that? Gung 21 we had this morning.  
It seems a long time ago, but Gung 21 was a  
case where there was trafficking and moving

the Sun Sun.  
The Sun Sun.

to into -- Gung 21 was in the premises and  
Sun Sun tried to move in when Gung 21 was  
cancelled.

THE COMMISSIONER: I see.

MR. BRYAN: Q. What do you do after the  
two police reports come in, and one recommendation  
reversal of the application and the other  
recommendation cancellation of the character?

A. This police report was received  
on May 24th, 1901.

THE COMMISSIONER: That is correct?

A. From Memo, my lord, and I see

that Mr. T.H. Thomson wrote to Mr. Lanning

(T.H. Thomson was a solicitor in the Department)

and he said:





1 "I have now received replies from  
2 "the police in regard to the application  
3 "for supplementary letters patent."

4 And he refers to the Metro Police, the vigorous  
5 objections, and he refers to the Provincial  
6 Police not recommending.

7 MR. ESTEY: Q. Ultimately, May 25,  
8 1961, was the memo Mr. Lavine to you dealing  
9 with this question of what to do with the  
10 recommendation?

11 A. Yes, on May 25th Mr. Lavine  
12 wrote to me bringing the reports to my  
13 attention.

14 Q. And you wrote a memorandum to  
15 the Minister?

16 A. To the Minister on June 12th.

17 Q. And you recommended cancellation?

18 A. "I have considered the reports  
19 "and would concur in the police  
20 "recommendation."

21 Yes, and I say:

22 "The club has not been operated on  
23 "Elizabeth Street for some years.  
24 "From the statements made to the  
25 "Metro Police, it appears that there  
26 "is a suggestion that the charter  
27 "has been purchased by another  
28 "group."

29 You see, this club, my lord, had not  
30



"I have now received replies from

"the police in regard to the application

"the application for a license

And he refers to the Metro Police, the various

agencies, and the various law enforcement

agencies and the various law enforcement

agencies and the various law enforcement

agencies and the various law enforcement

with this question of what to do with the

recommendations?

A. Yes, on May 25th Mr. Levine

wrote to me bringing the reports to my

attention.

Q. And you wrote a memorandum to

the Board?

A. The Board received the report.

Q. And you recommended cancellation?

A. "I have considered the reports

"and would consent in the police

"recommendations."

Q. And I say:

"the club has not been operated on

"Elizabethtown Street for some years.

"and the statement made to the

"Board is correct."

"is a suggestion that the charter

"be not renewed."

"I say."

You see, this club, my town, has been



1 operated apparently for some years. The  
2 premises at 82 Elizabeth Street had either been  
3 torn down or turned to some other commercial  
4 purpose, and this charter had not been used -  
5 what did I say here? - for some years,  
6 and they had not operated as far as we knew  
7 at all. We couldn't seem to establish  
8 that they had been operating on Hagerman  
9 Street.

10 Q. Well, what happened with the  
11 recommendation for cancellation?

12 MR. WILSON: Where does that  
13 appear? How do you put it? What is  
14 your reference to the cancellation?

15 THE WITNESS: I think this report came  
16 back and the matter, in accordance with our  
17 practice, was referred to the police (this is  
18 my memory). In respect to the Metro,  
19 OPP reports, these reports are attached.  
20 I see the reports together with our file.  
21 ~~Both~~ Both recommend the supplementary letters  
22 patent be refused.

23 "I have considered these reports  
24 "and in view of the information  
25 "contained in the report I concur  
26 "in the police recommendation."

27 MR. WILSON: Do you deal with the  
28 recommendation of cancellation?  
29

30 THE WITNESS: No.





1911

H. J. G. G. G.

... ..  
... ..  
... ..

... .. and this chapter had not been used -

... .. what did I say honey - for some reason,

... .. and they had not operated as far as we know

... .. at all. ... .. we couldn't seem to establish

... .. that they had been operating on Henderson

... .. street.

... .. will, ... ..

... ..

... ..

... .. How do you feel it?

... .. your reference to the cancellation?

... .. THE WITNESS: I think this report came

... .. back and the matter, in accordance with our

... .. practice, was referred to the police (this is

... .. my memory). In regard to the letter,

... .. G.P. reports, these reports are attached.

... .. I see the reports together with our file.

... .. which both concerned the ... ..

... .. patent be retained.

... .. "I have considered these reports

... .. "and in view of the information

... .. "contained in the report I cannot

... .. "in the ... ..

... .. Mr. ... .. you deal with this

... .. recommendation of cancellation?

... ..



1 MR. WILSON: May I just ask him also what  
2 he had in his report?

3 MR. ESTEY: I know that and he read it.

4 THE COMMISSIONER: Something about the O.P.P.  
5 and the Metro recommending cancellation. Did  
6 they recommend cancellation or did they  
7 recommend against supplementary letters patent?

8 A. The O.P.P., my lord, recommended  
9 against the supplementary. The City Police  
10 recommended against the supplementary and  
11 the cancellation, and I say here:

12 "I concur in the police recommendation."  
13 True, I previously have said here:

14 "Both reports recommend that supplementary  
15 "letters patent be refused. I have  
16 "considered these reports and I attach  
17 "the reports. I concur in the police  
18 "recommendation."

19 MR. ESTEY: Q. There is a rather peculiar  
20 sentence. Would you just read that sentence  
21 to the Commissioner?

22 A. "I have considered these reports  
23 "and in view of the information contained  
24 "in the report of the Metropolitan Police,  
25 "I concur in the police recommendation."

26  
27  
28 (Page 13220 follows)  
29  
30



he had in his report?

MR. MURPHY: I know that and he read it.

and the Bureau recommending cancellation, and

they recommend cancellation or did they

A. The O.P.P., my lord, recommended

recommended against the application and

the cancellation, and I say here:

"I concur in the police recommendation."

There, I previously have said here:

"Letter patent is refused, I have

"considered these reports and I suggest

"the reports. I concur in the police

"recommendation."

MR. MURPHY: Q. There is a rather peculiar

sentence. Would you just read that sentence

to the Commission?

A. "I have considered these reports

"and in view of the information contained

"in the report of the Metropolitan Police,

"I concur in the police recommendation."





FF/1/FAL

1 MR. ESTEY: Q. That is in your --

2 A. Yes, I concurred -- I may say,  
3 I concurred in the police recommendation insofar  
4 as the supplementary -- in not granting the  
5 supplementary. The matter of the cancellation,  
6 the club had not operated for some years;  
7 I wouldn't say I fully concurred in the  
8 cancellation. But, I concurred in the  
9 recommendation.  
10

11 MR. WILSON: Those were the words he  
12 was trying to put in your mouth; they are not  
13 in the report.

14 MR. ESTEY: I am not trying to put  
15 anything in Mr. Gudney's mouth.

16 THE COMMISSIONER: The O.P.P. recommended  
17 against the move.

18 MR. ESTEY: That is all.

19 THE COMMISSIONER: Q. Metro recommended  
20 cancellation, as I had it originally in my  
21 notes; but, now it appears Metro recommended  
22 against the granting of the supplementary  
23 letters patent and also recommended cancellation?

24 A. And the cancellation.

25 Q. All right.

26 MR. ESTEY: Q. Mr. Gudney, the reason  
27 I ask the question that way, and I did not  
28 put anything in your mouth, is that you referred  
29 to the recommendation, singular, of Metro  
30 police and, then, you say you concur with the



MR. MURPHY: That is in your --

A. Yes, I consented -- I may say,

I consented in the police recommendation insofar as the supplementary -- in not granting the

supplementary. The matter of the cancellation,

the club had not operated for some years;

I wouldn't say I fully consented in the

recommendation, but I consented in the

recommendation.

MR. MURPHY: Now, when you say that

was trying to put in your mouth; they are not

in the report.

MR. MURPHY: I am not trying to put

anything in Mr. Gandy's mouth.

MR. MURPHY: Now, Mr. Gandy, the

against the move.

MR. MURPHY: That is all.

MR. MURPHY: Now, Mr. Gandy, the

cancellation, as I had it originally in my

notes; but, now it appears Metro recommended

against the granting of the supplementary

letters patent and also recommended cancellation

A. And the cancellation.

O. All right.

MR. MURPHY: Now, Mr. Gandy, the

I ask the question that way, and I did not

put anything in your mouth, in what you referred

to the recommendation, singular, of Metro

police and, then, you say you consent with the





1 recommendation, singular, of Metro police.  
2 That is, at least, an ambiguous sentence and  
3 I wanted you to tell me whether you were  
4 thereby recommending that the charter be  
5 cancelled or not.

6 A. I would say it is on the two  
7 points in the Metropolitan Toronto Police report.  
8 I was certainly recommending the supplementary  
9 be refused. In regard to the cancellation  
10 of the charter, I was in two minds about that,  
11 in that the club -- It wasn't that the club  
12 had been operating. There had been no --  
13 it hadn't operated for some years. There  
14 had been no suspicion of illegal gaming on  
15 the premises because they hadn't any premises,  
16 they hadn't any operation. They wanted  
17 to use the charter to go somewhere else.  
18 I was in two minds on that.

19 THE COMMISSIONER: When you reported  
20 to the Minister were you recommending only  
21 against granting of supplementary letters  
22 patent? If you were of two minds on the other  
23 question, you could not very well have  
24 recommended with respect to the other.

25 A. No. This is not very well put,  
26 my lord.

27 Q. I know it is not, but I am asking  
28 you if you have a recollection of it.

29 A. My view was this, my lord: I was  
30





... ..

That is, at least, an ambiguous sentence and

...

...

...

A. I would say it is on the two

points in the Metropolitan Telephone report.

...

be referred. In regard to the cancellation

of the charter, I was in two minds about that,

in that the club -- it wasn't that the club

had been operating. There had been no --

it hadn't operated for some years. There

had been no suggestion of illegal gaming on

the premises because they hadn't any premises,

they hadn't any operation. They wanted

to use the charter for no business else.

I was in two minds on that.

...

to the fifteen were not recommending only

against granting of supplementary license

present. If you were of two minds on the first

question, you could not very well have

recommended with respect to the other.

A. No. This is not very well put,

...

O. I know it is not, but I am asking

you if you have a recollection of it.

A. My view was this, my lord: I was



1 recommending, certainly, against the supplementaries  
2 being issued, going to those premises, in  
3 view of that report; but I wasn't fully  
4 recommending --

5 Q. You were leaving the other in  
6 abeyance, I suppose?

7 A. Yes.

8 MR. ESTEY: Q. I should have noticed  
9 this earlier. It appears from the transcript  
10 of the hearing you were away and Mr. Lavine  
11 conducted the hearing in March, 1960?

12 A. That is true.

13 Q. You have now got the club into  
14 the situation where it is authorized to operate  
15 at one address, which you think may be non-  
16 existent, and they want to go to another and  
17 they are refused. Now, what happened next?

18 MR. WILSON: On that Hagerman, Mr.  
19 Lavine never informed these people their  
20 original application for supplementary letters  
21 patent was refused.

22 THE COMMISSIONER: He never informed  
23 them of that?

24 MR. WILSON: The club was never advised  
25 of that. It came out at the hearing, I  
26 believe.

27 THE WITNESS: That the original application --

28 THE COMMISSIONER: That was the purpose  
29 of the hearing.  
30



...against the ...  
 being ...  
 view of that ... but I want to ...

Q. You were leaving the other in

... I suppose

MR. ...: I should have noticed

this earlier. It appears from the transcript  
 of the hearing you were ... and Mr. ...

A. That is true.

Q. You have now got the ... into

the situation where it is authorized to operate  
 at one ... which you think may be non-

... the ...

... have never ...

... the ...

... that ...

MR. ...: The ... was never ...

of that. It came out at the hearing, I

believe.

THE ...: That the ...

THE ...: That was the ...





1 MR. WILSON: It appears they had never  
2 been informed of any refusal of their  
3 application to move.

4 THE COMMISSIONER: That is after the  
5 hearing.

6 MR. WILSON: There were two moves. It  
7 was said originally they had moved to Hagerman  
8 Street --

9 THE WITNESS: Yes.

10 MR. WILSON: -- which was the residence  
11 of one of the officers or directors; and  
12 later they wanted to move to 121 Dundas.

13 THE COMMISSIONER: 121 Dundas.

14 MR. ESTEY: All I can say is that the  
15 file does not have any application for  
16 supplementary letters patent regarding Hagerman  
17 Street. Nothing on the file.

18 A. No, they never applied for --  
19 for their office to be at Hagerman Street.

20 THE COMMISSIONER: Q. You had a hearing  
21 and the evidence did not prove that they had  
22 moved to Hagerman?

23 A. No, that is true, my lord. That  
24 is true, my lord.

25 MR. ESTEY: Q. But the inquiry did relate  
26 to Hagerman and not to 1395 Yonge Street?

27 A. No, it related to 14 Hagerman.

28 Q. February the 8th, 1960, immediately  
29 before that hearing, you are asking Chief Mackey,  
30



Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Did you ever see any of them?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

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A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?

A. I never saw any of them.

Q. Now, did you ever see any of these men?





1 "Does the club have club rooms at 1395 Yonge?"  
2 Hagerman does not appear in the files at all.  
3 I am mystified about that.

4 THE COMMISSIONER: It does.

5 MR. WILSON: It does appear in the file.

6 THE COMMISSIONER: The 1959 return shows  
7 the premises then was 14 Hagerman.

8 MR. ESTEY: That return, with respect,  
9 my lord, says the head office is at that place.

10 THE COMMISSIONER: It is assumed the  
11 operating premises and the head office are  
12 the same place.

13 MR. ESTEY: I think they have been  
14 different, my lord.

15 My note is ambiguous. I think they have  
16 been different.

17 A. I don't remember Yonge Street.  
18 I certainly remember 14 Hagerman. Let me  
19 check the file on this.

20 Q. I do not know that it is that  
21 important. A. I don't remember Yonge Street.

22 THE COMMISSIONER: I do not think it is  
23 of too great significance one way or the  
24 other.

25 Q. What happened after May, 1961?  
26 You wrote to the Minister on June the 12th  
27 and recommended against recommending against the  
28 granting of supplementary letters patent. What  
29 happened next?  
30





"Does the club have club rooms at Long Yango?"

THE COMMISSIONER: Yes, it does in the Y.M.C.A.

I am interested about that.

THE COMMISSIONER: It does.

MR. KATZ: Is there a room in the Y.M.C.A.

THE COMMISSIONER: The 1929 return shows

the amount of the tax on the return.

MR. KATZ: That return, which respect,

my lord, says the head office is at that place.

THE COMMISSIONER: It is assumed the

operating places and the head office are

the same place.

MR. KATZ: I think they have been

different, my lord.

MR. KATZ: I think they have

been different.

A. I don't remember Long Street.

I certainly remember it Hagerman. But no

one of the file on this.

Q. I do not know that it is that

important. I don't remember that return.

THE COMMISSIONER: I do not think it is

of too great significance one way or the

other.

A. I don't remember that return.

You were to the Minister on June the first

and recommended against recommending a patent and

granting of supplementary letters patent. Was

that right?



1           A.       There is a memorandum -- I  
2 wrote to Mr. Lavine:

3           "       Referring to the above club,  
4           "I have discussed the matter with  
5           "the Minister and he is of the view  
6           "that Supplementary Letters Patent  
7           "should not be issued.

8           "       Would you advise the  
9           "solicitors of the club accordingly."

10          MR. ESTEY: Q. I take it they were so  
11 advised?

12          A.       Yes, they were -- Yes, they  
13 were advised.

14          Q.       In a rather heated exchange of  
15 correspondence, they certainly knew you were  
16 not favouring the application?

17          A.       That was on June the 16th. Then,  
18 I advised Chief Mackey that we did not grant  
19 the supplementary letters patent.

20          THE COMMISSIONER: Is<sup>not</sup> that the whole  
21 story?

22          MR. ESTEY: That is down to where it is  
23 today.

24          Q.       The last thing on the file is  
25 a letter complaining the Department are telling  
26 them what accommodation is proper, and you  
27 merely say they can apply for another move  
28 if they want to, and that is the end of it.

29          A.       They are tied down to 92 Elizabeth  
30



A. There is a memorandum -- I

whose to Mr. Justice:

"Referring to the above case,

"I have discussed the matter with

"the Minister and he is of the view

"that the Government should not

"should not be asked,

"Would you advise the

"solicitors of the club accordingly."

Mr. Justice: I am in the same

position.

A. Yes, Mr. Justice -- yes, yes.

Yes, Mr. Justice.

Q. In a rather heated exchange of

correspondence, they certainly know you were

not favouring the application?

A. That was on June the 15th. Then,

I advised Chief Justice that we did not grant

the application, I think.

Q. That the whole

matter was decided on the 15th?

MR. JUSTICE: That is down to where it is

now.

Q. The last thing on the 15th is

a letter complaining the Government and saying

that what accommodation is proper, and you

should say they can apply for another move

if they want to, and that is the end of it.

A. They are cited down to 22 March.





1 Street and I understood from the police they  
2 can't operate from there.

3 Q. On December 11, 1961, you said  
4 you can file an application for another premises.

5 A. Yes.

6 Q. My question on this club; Having  
7 gone through the police reports and the hearing,  
8 and one thing and another, we know the club  
9 has not real estate, it is not an athletic  
10 club, it is not a member of an international  
11 organization. What is the purpose of keeping  
12 that charter on the books?

13 A. Well, for all we -- There is  
14 one thing, certainly, against us; that  
15 proposed move to 121 Dundas Street, where it  
16 looked as if there was another group coming  
17 in. I don't know. It may be the original  
18 group in there. There is one thing, they are  
19 tied down as much as if the charter was at  
20 that address, and the police tell me they  
21 cannot operate at that address because it  
22 is converted into a premises where they  
23 couldn't operate or the building is torn down.

24 THE COMMISSIONER: Q. I suppose you  
25 are leaving the next move up to them?

26 A. Yes.

27 Q. I do not mean the physical move.

28 A. Yes. I enquired of the police  
29 about the premises on Elizabeth and they say it  
30

FF/2



Street and I understood from the police they

Q. On December 11, 1961, you said

You can file an application for another premises.

A. Yes.

gone through the police reports and the building

and one thing and another, we knew the club

has not real estate, it has not an alcoholic

club, it is not a member of an international

organization. What is the purpose of keeping

that character on the books?

A. Well, for all we -- There is

proposed move to 151 Grand Street, where it

looked as if there was another group coming

in. I don't know. It may be the original

group in there. There is one thing, they are

that down as much as if the character was at

that address, and the police tell me they

cannot operate at that address because it

is converted into a premises where they

couldn't operate on the building is torn down.

THE COMMISSIONER: Q. I suppose you

and leaving the next move up to them?

Q. I do not mean the physical move.

A. Yes. I assumed of the police

about the premises at 151 Grand Street and they say it





1 is impossible for them to occupy the premises.

2 MR. ESTEY: That is the last of the  
3 files, you will be glad to know, I want to  
4 ask you about.

5 There is one other club which has  
6 occupied much time in these proceedings, the  
7 Acme Social Club. I understand that file  
8 disappeared, Mr. Cudney?

9 A. Yes.

10 Q. And, so far as you know, if I  
11 am right on this, correct me if I am wrong,  
12 so far as you know that found its way to the  
13 Minister's office two or three years ago and  
14 has never been seen or heard of since?

15 A. That is what I have been informed.  
16 It was in the winter of -- February, 1960,  
17 a police report came in and my assistant,  
18 Thomas Thompson, was called by the Minister  
19 to bring the report and the file in, and the  
20 file apparently has not been found. I turned  
21 the Department upside down three or four  
22 times.

23 Q. That is the only one you have  
24 lost of these files?

25 A. Yes.

26 Q. What you might call contentious  
27 files?

28 A. So far as I know, Mr. Estey,  
29 that is all.  
30





Q. Now, that is the last of the

Q. Now, that is the last of the

Q. Now, that is the last of the

Q. Now, that is the last of the

occupied with time in these proceedings, the

Acme Social Club. I understand that this

Q. Now, that is the last of the

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Q. Now, that is the last of the



1 Q. You are operating on a built-up  
2 record since the date of the loss?

3 A. Yes. We pieced together what we  
4 had to build up a file on it.

5 Q. Mr. Cudney, you have been through  
6 a long travail, but there is one last question:  
7 In all these clubs we have seen there has  
8 been a varying degree of consultation on  
9 the one end of the scale and perhaps pressure  
10 is the best word on the other end of the  
11 scale, between you, as the Deputy Provincial  
12 Secretary, to do or not to do something under  
13 The Corporations Act. You have seen Chief  
14 Mackey's memorandum of rumours that there would  
15 be more pressure from members of the Legislature,  
16 I think in that instance to slow down  
17 cancellation. We have seen other instances  
18 where there have been letters prevailing  
19 upon your superior, the Minister, to issue  
20 letters patent. I take it from these instances  
21 and from the reports and discussions we have  
22 had, that in your position, whether one  
23 likes it or not, you are subject to varying  
24 degrees of agitation or pressure to do or  
25 refrain from doing something required under  
26 The Corporations Act?

27 A. Well, it depends, Mr. Estey, --

28 THE COMMISSIONER: I do not know  
29 whether that is quite a fair question.  
30



Q. You are operating on a building

along the line of the road

A. Yes, the building is on the

and to build up a little on it.

Q. Mr. Granger, you have been through

a long travel, but there is one last question:

In all these things we have seen that the

been a varying degree of concentration on

the one end of the scale and perhaps pressure

is the best word on the other end of the

scale, between you, as the Society Provincial

honestly, to do or not to do something under

The Corporation Act. You have seen Chief

the same thing in the case of the

be more pressure from members of the Legislature,

I think in that instance to show down

the same thing in the case of the

the same thing in the case of the

the same thing in the case of the

the same thing in the case of the

and from the reports and discussions we have

had, that in your position, whether one

likes it or not, you are subject to varying

degrees of attention or pressure to do or

retains from doing something towards under

The Corporation Act?

A. Well, it depends, Mr. Granger,

THE GOVERNMENT: I do not know

whether that is quite a fair question.





1 MR. ESTEY: It is a long one.

2 THE COMMISSIONER: It is a long and  
3 complicated question.

4 MR. ESTEY: I did not want to spring it  
5 on him but I wanted him to tell us -- We are  
6 aware of the fact; we have seen letters from  
7 Ministers and M.P.P.'s.

8 THE COMMISSIONER: I understand the  
9 position of any deputy Minister. The decisions  
10 must be made by his superior, the Minister.  
11 He may make recommendations which the Minister  
12 accepts or rejects, but he cannot make the  
13 final decision; the final decision is left to  
14 the Minister.

15 MR. ESTEY: I did not have in mind,  
16 really, that so much. I did not express it  
17 well. Obviously, he will be reversed from time  
18 to time by the Minister, no matter who his  
19 Minister is and no matter who the deputy is.  
20 I was more interested in the kind of thing  
21 where an interested party may or may not be  
22 a Member of the Legislature at the time,  
23 going to his friend the Cabinet Minister or  
24 his colleague the Cabinet Minister, or some  
25 other connection, or to some other Cabinet  
26 Minister, such as we see in the letter con-  
27 cerning the Tisdale Club. I was wondering  
28 how much of that kind of interference has to  
29 be contended with in this Deputy Minister's life.  
30



MR. HUNTER: It is a long one.  
THE COMMISSIONER: It is a long one

complicated question.

MR. HUNTER: I did not want to bring it  
on him but I wanted him to tell us -- he was  
aware of the fact; we have seen letters from

Ministers and H.P.'s.

THE COMMISSIONER: I understand the  
position of my deputy Minister. The decision  
must be made by his superior, the Minister.  
He may make recommendations with the Minister  
accepts or rejects, but he cannot make the  
final decision; the final decision is left to  
the Minister.

MR. HUNTER: I did not have in mind,  
really, that so much. I did not expect it  
well. Obviously, he will be reversed from time  
to time by the Minister, no matter who his  
Minister is and no matter who the deputy is.  
I was more interested in the kind of thing  
where an interested party may or may not be  
a member of the Legislature at the time,  
going to his friend the Governor Minister or  
the colleague the Governor Minister, or some  
other connection, or to some other Governor  
Minister, such as we see in the letter con-  
cerning the Trade Club. I was wondering  
how much of that kind of interference was to





1 I do not ask the question in vacuo. I realize  
2 it is a touchy question. If we had more  
3 standards built into the legislation, not  
4 the regulations but the legislation, so that  
5 the persons administering the Act could say  
6 to the enquirer or persistent peddler of  
7 one point of view, "This is the law and I  
8 cannot do otherwise". Would this kind of  
9 treatment on corporations, Part III charters,  
10 would it be of concrete assistance to the  
11 Deputy Provincial Secretary in administering  
12 the Act?

13  
14 THE COMMISSIONER: I have no doubt,  
15 if something was written into the legislation,  
16 and I have not anything precisely in mind --

17 MR. ESTEY: The police referral was one.

18 THE COMMISSIONER: I suppose you  
19 could visualize some matters that might be  
20 included in the legislation which would remove  
21 from the Deputy any chance of any interference  
22 by anybody, apart from his Minister. With  
23 any interference with his conduct in his  
24 capacity as Deputy.

25 MR. ESTEY: Well, I had in mind a  
26 police referral, for example, my lord. There  
27 is nothing mandatory now; it is the practice,  
28 it is habit to refer it to the police. That  
29 is a matter of a policy to be changed without  
30 any outside knowledge at all.



I do not ask the question in vain. I believe



1           **THE COMMISSIONER:** That is so. I  
2 indicated earlier the thoughts that had been  
3 running through my mind when I was asking  
4 Mr. Cudney as to the form of the report that  
5 they sought from the police.

6           The Minister cannot divest himself of  
7 his jurisdiction to make the decision as to  
8 whether a charter should or should not be  
9 granted or whether a charter should or should  
10 not be cancelled, and he cannot delegate that  
11 to the police. He can see from the police  
12 information which will assist him in making  
13 up his own mind but the responsibility must,  
14 surely, in the final analysis, be the Minister's.

15           **MR. ESTEY:** There is no question about  
16 that.

17           **THE COMMISSIONER:** I do not know that  
18 it would be a cure-all, to have something  
19 written into the legislation, so long as  
20 it is well understood that the decision must,  
21 in the final analysis, be the decision of  
22 the Minister.

23           **MR. ESTEY:** We have the startling  
24 example - I will not press this, it is late -  
25 but we do have the startling result in the  
26 Toronto Chinese Athletic Club and the Toronto  
27 Chinese Anti-Communist Club where the regulations  
28 were set aside and the charter amended  
29 inconsistent with the law.  
30



THE COMMISSIONER: That is so, I

Mr. Gandy as being born of the report that

The Minister cannot direct himself as

whether a change should or should not be

not be cancelled, and he cannot delegate that

to the police. He can see from the police

information which will assist him in making

up his own mind and the responsibility must,

surely, in the final analysis, be the Minister's.

MR. GANDY: There is no question about

that.

THE COMMISSIONER: I do not know that

it would be a change, it would be a decision

which is also one of legislation, so far as

it is well understood that the decision must,

in the final analysis, be the decision of

MR. GANDY: We have the standing

order - I will not press home, it is true -

but we do have the standing order in the

Finance Committee which is the basis of the

and see what the Minister intended





FF/3

1 THE COMMISSIONER: I do not suggest the  
2 regulations can be ignored.

3 MR. ESTEY: No, I appreciate that.

4 Well, if your lordship thinks the question  
5 is unnecessary to the inquiry --

6 THE COMMISSIONER: I do not know that  
7 Mr. Cudney's opinion would help me one way  
8 or the other. I suppose in argument you  
9 might make some submissions which might get  
10 me thinking and you might then suggest them,  
11 but I do not think it would be helpful to  
12 put any further questions to Mr. Cudney.

13  
14  
15  
16  
17 (Page 13235 follows)



10/2

THE COMMISSIONER: I do not suggest the

Commissioner should be present.

MR. JONES: No, I suggest that.

Well, it is your business to make the decision.

It is necessary to the public --

THE COMMISSIONER: I do not know that

Mr. Jones's opinion would help me one way

or the other. I suggest in general that

there are some questions which might be

asked and the answer would be that

but I do not think it would be helpful so

and any further questions to Mr. Jones.

(page 1000)



BB/1/JMcG

1 THE WITNESS: I think I can say this,  
2 my lord, any lawyer of repute in this Province  
3 knows I am not subject to any political  
4 pressures one way or the other and any  
5 representations that should be made are made  
6 as the lawyers know not from any political  
7 standpoint.

8 THE COMMISSIONER: You are not susceptible?

9 A. That is true, my lord.

10 MR. ESTEY: I can give you a character  
11 reference in regard to that statement.

12 THE COMMISSIONER: I accept that statement  
13 from this witness.

14 MR. ESTEY: The Commissioner has had  
15 long experience in weighing witnesses and I  
16 think in the final analysis the whole  
17 presentation, especially the questions at the  
18 end, is repetition. He has told all he  
19 knows about these clubs and these are the  
20 clubs we want to know about. I thank Mr.  
21 Cudney for being so patient.

22 THE WITNESS: If I may say one word,  
23 my lord, about my former Ministers who have  
24 not spoken for themselves. It has always  
25 been a pleasure to work with them, they were  
26 sincere and upright men and I wouldn't doubt  
27 their motives one bit, and Mr. Frost, who has  
28 been mentioned, had the highest respect for  
29 all of them, Mr. Nixon, Mr. Dunbar, Mr. Porter,  
30





20/1/1911

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my lord, any further of trouble in this Province  
known I am not subject to any political  
pressure one way or the other and any  
representations that should be made are made  
as the lawyers know not from any political  
consideration.

THE COMMISSIONER: You are not susceptible?

A. That is true, my lord.

MR. RATHY: I can give you a character

reference in regard to this gentleman.

THE COMMISSIONER: I would like to know

from this witness.

MR. RATHY: The Commission has had

long experience in weighing witnesses and I

think in the final analysis the whole

presentation, especially the questions at the

end, is repetition. He has said all he

knows about these things and there are the

claims we want to know about. I thank Mr.

Greney for being so patient.

THE COMMISSIONER: If I may say one more,

my lord, about my former witnesses who have

not spoken for themselves. It has always

been a pleasure to work with them, they were

sincere and upright men and I wouldn't doubt

their motives one bit, and Mr. Greney, who has

been mentioned, had the highest respect for

all of them, Mr. Nixon, Mr. Greney, Mr. Greney.



1 Mr. Welsh, Dr. Phillips and Mr. Nickle and  
2 Mr. Yareuko. I have the highest respect for  
3 all of them and it has been a pleasure to  
4 work with them.

5 THE COMMISSIONER: I have discussed  
6 this matter with counsel and Mr. Lawlor, you  
7 had some questions you wanted to ask of  
8 Mr. Gudney?  
9

10 MR. LAWLOR: Yes, my lord.

11 THE COMMISSIONER: I have a program laid  
12 out for tomorrow. I will let counsel know  
13 when it will be possible to carry on your  
14 examination.

15 ---Whereupon the hearing adjourned at 6:15  
16 o'clock p.m. until 10:00 o'clock a.m.,  
17 Wednesday, October 17th, 1962.  
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---



Mr. Yarnall: I have the highest respect for  
all of them and it has been a pleasure to

THE COMMISSIONER: I have discussed  
this matter with counsel and Mr. Lawton, and  
had some questions you wanted to ask of

Mr. Gurney?

MR. LAWTON: Yes, my lord.

THE COMMISSIONER: I have a proposed line  
out for tomorrow. I will let counsel know  
when it will be possible to carry on your  
examination.

--Whereupon the hearing adjourned at 4:15  
P. M. to be held at 10 A. M. on Monday,  
January 17, 1932.







66

VOLUME NO.....

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT  
OF PROCEEDINGS

Date **Thurs., Oct. 18, 1962**

pp 13,237 -- 13,380.



Supreme Court Reporters  
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Toronto







VOLUME 60

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A/1/JHO6

THURSDAY, OCTOBER 18, 1942

---On resuming at 10:40 o'clock a.m.

ROBERT J. CUDNEY, resumedEXAMINED BY MR. LAWLER:

THE COMMISSIONER: Yes, Mr. Lawler.

MR. LAWLER: Thank you, my lord.

Q. My lord, I would make two statements, one is I do not think this will be very long and I want to congratulate Mr. Astey on covering the ground very thoroughly in regard to these clubs and other clubs occupying premises and I do not think I need to go into that.

The second thing is an observation I wish to make to Mr. Cudney; when I turn to a club I would like if humanly possible, because I have only one specific point to deal with and there will be a memo or letter with respect to that specific point, and if he could turn to that, that is all I really want. It will not be necessary to make a lengthy examination of the documents and I hope this will fore-shorten my cross-examination.

THE COMMISSIONER: Yes.

MR. LAWLER: Q. You stated for twenty years these clubs had been a constant bugbear to your Department?



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1 A. Yes.

2 Q. During the course of the years  
3 was it largely because of gambling enterprises?

4 A. Oh, yes, well, gambling or betting.

5 Q. Now, I have a few points arising  
6 out of the brief here. Why was the clause  
7 with respect to real estate, unless they  
8 acquired real estate, placed in the charter?  
9 Why was it put in?

10 A. Well, it was to further ascertain  
11 that it was a bona fide application. They had  
12 to have some reason for seeking to incorporate  
13 and the chief reason was the acquisition of  
14 real estate.

15 Q. Now, from 1938 until 1946 you  
16 stopped incorporating social clubs other than  
17 golf clubs or community clubs?

18 A. What is the date?

19 Q. It is from 1938 until 1946. You  
20 heard my question, did you, you restricted all  
21 these charters for a period of time?

22 A. Yes.

23 Q. My question is, is there any merit  
24 in returning to such a policy?

25 A. At the present time?

26 Q. At the present time.

27 A. No, I don't think so, because  
28 the reason it was changed in 1946 was that  
29 many bona fide corporations were denied the  
30







1 benefit of incorporation because one per cent  
2 of social clubs wanted to break the law. I  
3 do not see how it would help, providing they  
4 are properly screened. In all the clubs we  
5 have incorporated in the last twelve years  
6 less than one per cent have gone wrong and  
7 their charters have been cancelled. With  
8 the policy we have worked out, I do not think  
9 it would be of benefit. What I mean by that  
10 is, that many people want to form social clubs  
11 that have nothing to do with illegal games.  
12 Everyone is screened and I do not think there  
13 is any merit in returning to the 1935 policy.

14 Q. In other words, if they wish  
15 to use these club charters for gambling,  
16 whether they use them in the way you have  
17 restricted them, they could nevertheless use  
18 them.

19 THE COMMISSIONER: I don't quite get that.

20 MR. LAMLER: Q. Even restricting the  
21 charters of this type of club, golf clubs,  
22 community clubs and service clubs, I take it  
23 in any case the gambling fraternity could  
24 infiltrate and take over such a club.

25 THE COMMISSIONER: That is not what he  
26 has said. He has said of all the social clubs  
27 incorporated in the last twelve years less than  
28 one per cent have been cancelled.

29 MR. LAMLER: I agree, my lord. May I  
30







1 take it one step further; if this were done --

2 A. If what was done?

3 Q. If our recommendations were we  
4 would restrict the clubs on the basis that  
5 was previously used, that wouldn't solve the  
6 situation. The difficulty is if the gamblers  
7 infiltrate these clubs notwithstanding their  
8 outward appearance --

9 A. No, I don't think so.

10 Q. I am asking you that. If we  
11 went back to the policy of 1935 gamblers would  
12 still infiltrate these clubs?

13 A. No, I do not think so. I am  
14 thinking of the future.

15 Q. If in future all service clubs,  
16 golf clubs and that kind of social club, by  
17 some miraculous stroke disappeared, would  
18 gamblers still get into these service clubs?

19 think  
20 A. I don't think they would.

21 THE COMMISSIONER: The answer is in all  
22 probability they wouldn't?

23 A. They wouldn't.

24 MR. LAWLER: Q. That illustrates the  
25 thing we are discussing here today, the  
26 infiltration of clubs by gamblers.

27 A. Yes, I repeat that all types of  
28 social clubs, and there were 1033 charters  
29 granted in the time reviewed and since that  
30 time it is over 1100, we have actually cancelled







1 only eight.

2 THE COMMISSIONER: Why should 99 per cent  
3 suffer for the wrongdoing of 1 per cent? Is  
4 that the Department's policy?

5 A. Yes.

6 MR. LAWLER: Q. At the time of  
7 application for a social club charter, you require  
8 a list of the members?

9 A. Yes, that was in the 1930's.

10 Q. Can you give me any idea when  
11 that policy was terminated?

12 A. Well, it was never a fixed policy.  
13 I have looked over the clubs incorporated in  
14 the 1930's and the 1940's and up until 1946,  
15 and it seems never to have been a firm policy.  
16 In some cases the Department required a list  
17 of members and in some cases they were referred  
18 to the police and in other cases they were not.  
19 As near as I can recall, if it appeared to be  
20 a bona fide organization we didn't get a list  
21 of members or didn't refer it to the police.

22 Q. Would it be of any benefit to make  
23 it a requirement within the Act or regulations  
24 that at the time of application a list of  
25 proposed members should be submitted to you,  
26 and would you then in turn refer it to the  
27 police?

28 A. Yes, I think that would have a  
29 certain merit. The police, of course, in their  
30







1 own investigation find out who the members  
2 are. We rely on the police in our reference.  
3 Whether we obtain in and submit it to the  
4 police, I think in the police reports it shows  
5 they go over the list of members themselves.

6 Q. I think that is a matter of  
7 argument. I do not agree with the statement  
8 and as I say, I think it is a matter of argument.

9 The day after the incorporation they  
10 could change it if they so desired?

11 A. That is true.

12 Q. So it is not in one of the  
13 regulations, is it, it is a Department policy?

14 A. No, it is a Department practice.

15 Q. Now, taking the nuts and bolts  
16 clause, which was incorporated in 1946, how  
17 many times was this clause used? Just to  
18 shorten up the questioning I can tell you  
19 how many times and perhaps you can agree with me.  
20

21 THE COMMISSIONER: So you mean a  
22 violation of it?

23 MR. LAWSON: Yes, my lord.

24 THE WITNESS: Possibly it was used in  
25 four cases for certain and in one case it was  
26 one of the grounds.

27 MR. LAWSON: Q. Without going into  
28 it, and just relying on your memory, I suggest  
29 there was the Assyrian Business Club in 1952,  
30 the Border City Press Club in 1954, the

[illegible]





1       Wentworth Chess Club and the Peninsula  
2       Association in 1955. Now, were those four  
3       instances where this clause was specifically  
4       invoked?

5               A.       I would like to meet these one  
6       by one.

7               Q.       First of all, the list you are  
8       looking at is in 'H' or 'J'.

9               A.       I am looking at page 29 of the  
10      list of cancellations under different headings.

11              Q.       What appendix is that?

12              A.       That is Appendix 'J'.

13              Q.       You will agree with me that while  
14      there is a breakdown there it doesn't break  
15      down specifically the nuts and bolts clause?

16              A.       No.

17              Q.       Continue then.

18              A.       The bars and bolts clause was  
19      put in in 1946 and the charter of the Border  
20      City Press Club was cancelled on suspicion of  
21      illegal gaming and also the policy at that  
22      time was that we would cancel any charter when  
23      barricades were involved. It was barricade  
24      and illegal gaming.

25              Q.       Now, the Asyrian Business Men's  
26      Club was one cancelled I think on the bars  
27      and bolts clause?

28              A.       Yes.

29              Q.       And the Wentworth Chess Club; do  
30







1 you recall it at all?

2 A. Yes, that was on the bars and  
3 bolts clause.

4 Q. Coming to the fifth instance  
5 where the Centre Road Veterans Club was  
6 cancelled on June 3rd, 1960, part of the grounds  
7 was bars and bolts?

8 A. That was part of the grounds.

9 Q. Bars and bolts?

10 A. Yes.

11 Q. Since this particular clause went  
12 into effect there are only five instances since  
13 1946 where this clause has been invoked?

14 A. Yes, those are the only instances  
15 where it has been brought to our attention.

16 Q. Coming to the paraphernalia  
17 clause, that is no gaming equipment or device  
18 would be allowed on the premises, I have made  
19 notations that the point was only raised on  
20 two occasions as possible grounds for cancellation  
21 and curiously enough it was not used and  
22 as a matter of fact the clause was deleted.  
23 The Toronto Chinese Anti-Communist Club and  
24 another Chinese club was brought into question  
25 at the same time. Now, do you recall any  
26 instance where the paraphernalia clause was  
27 brought into it?

28 A. No, I don't recall any. I don't  
29 think there are any.  
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1 Q. You will agree with me this  
2 was the only time it was raised, that is, in  
3 these two instances?

4 A. To my knowledge, yes. At the  
5 hearing in respect of the Bathurst-Sheppard  
6 Club, where the charter was subsequently  
7 cancelled, there was mention of gambling  
8 paraphernalia.

9 THE COMMISSIONER: Q. When was the  
10 paraphernalia clause passed?

11 A. In 1950, about July the 1st, 1950.

12 MR. LAMLER: X Pardon me a moment,  
13 my lord.

14 My lord, on page 28 of the brief there is  
15 a serialisation of the various clauses.

16 Q. I want to take a moment to discuss  
17 with you about barricades. This clause was  
18 added in 1954 according to page 28 of the  
19 brief.

20 A. Yes.

21 Q. And I have notations here that  
22 that barricade clause was never specifically  
23 used.

24 A. I say it was used partly as one  
25 of the grounds in the cancellation of the  
26 charter of the Border City Press Club. That  
27 was about the time it was enacted.

28 Q. I notice in Volume 57, page 11153  
29 you mention the Hamilton Business Men's Bridge  
30







1 and Chess Club and barricades were mentioned  
2 there as possible grounds for cancellation  
3 of that charter. Do you recall that?

4 A. I propose to look at the file on  
5 that.

6 Q. It is at page 11154 at the bottom.  
7 Apparently there were two grounds.

8 A. We cancelled these two at that  
9 time because if any clubs had barricades,  
10 whether or not they had bars or bolts we  
11 cancelled them, it might be one or the other.

12 Q. This club was incorporated in  
13 1947.

14 A. It was incorporated in 1947. They  
15 had plywood doors and all the windows were  
16 equipped with wire netting in addition to  
17 plywood installed on windows on the second floor  
18 and there were plywood doors at each end of  
19 the stairs. The bars and bolts clause isn't  
20 confined to that.

21 Q. It verges into barricades?

22 A. It does. It is just a difference  
23 in words.

24 Q. I notice another case of the Twin  
25 Cities Club in 1954. You went down on that  
26 occasion and saw the Chief of Police?

27 A. Yes.

28 Q. And by the time you get the  
29 police report they had removed the barricades so  
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[Faint, mostly illegible text covering the main body of the page, appearing to be a list or index of items.]





1 you were unable to go ahead?

2 A. Yes, I remember going with Chief  
3 Patrick into the premises and there was a  
4 signal under the counter and there was a heavy  
5 door. I asked him for a report. I was  
6 in Kitchener on another matter speaking to  
7 the Mayor and he asked me to speak to the  
8 Chief in respect of this club and when I got  
9 to the club the barricades had been removed.

10 Q. Now, turning to look at Clause 104,  
11 two club charters were cancelled, the Club  
12 Macedonian and the Bathurst-Sheppard Club?

13 Q.  
14 A. Yes. A In the evidence given  
15 yesterday there seemed to be an inconsistency  
16 in respect to the Chan Social Club where  
17 both police forces objected to the letters  
18 patent. This is at page 12653 of your  
19 evidence given in the last few days.

20 A. I read the memorandum on that;  
21 that was the first police report.

22 Q. The first police report?

23 A. Yes.

24 Q. The charter was cancelled on the  
25 basis of the police report, and the police  
26 reports were acted on in a couple of cases and  
27 not in another case.

28 THE COMMISSIONER: Isn't that a matter  
29 of argument?

30 MR. LAWLER: All right, my lord, perhaps



[illegible]



1 it is. I wanted to bring it out and see what  
2 Mr. Gudney's comments were.

3 THE WITNESS: The charter of the Chan  
4 Club was subsequently cancelled on other grounds.

5 MR. LANTOR: Q. A day or two ago I  
6 asked you to prepare a statistical memo as  
7 to the number of social clubs cancelled in one  
8 year. Have you such a memo in front of you?

9 A. Yes, I have.

10 Q. When does it start?

11 A. It begins on July 1st, 1950.

12 Q. How many were there in 1950?

13 A. From July 1st to the end of the  
14 year there were four.

15 Q. Will you read them, please?

16 A. Yes:

17 "1951 - 2.

18 "1952 - 2.

19 "1953 - 5.

20 "1954 - 10.

21 "1955 - 5.

22 "1956 - 1.

23 "1957 - 4.

24 "1958 - 4.

25 "1959 - 6.

26 "1960 - 19."

27 Then in 1961, that is until the date  
28 of the appointment of the Commission, there  
29 were 13.  
30







1 THE COMMISSIONER: Q. How many?

2 A. 13, my lord. There are 75 and  
3 there is one that had not been acted on and  
4 that was the Hamilton Chess Club, actually  
5 the Hamilton Bridge and Chess Club, and that  
6 makes it 76 from July 1st, 1950. I am sorry,  
7 my lord, the Hamilton Business Men's Bridge  
8 and Chess Club was cancelled in 1954. So  
9 that in 1954 it would be 11 rather than 10.  
10 There were 76 cancelled during the twelve-  
11 year period and three others at the time of  
12 the appointment of the Commission were in the  
13 process of being cancelled and were later  
14 cancelled, making a total of 79 and 5 have  
15 been cancelled where complaints came in after  
16 the Commission was appointed. In other  
17 words, altogether there have been 84 to date  
18 cancelled since July 1st, 1950.

19 G. There has been considerably  
20 more in 1960-1961 up to date?

21 A. Well, the greatest period was in  
22 1960.

23 Q. You have 19 for that year?

24 A. Yes.

25 Q. I have 20 but I am not going to  
26 argue about it. I have taken it out of  
27 the appendix in the brief.

28 A. I think it is 20.

29 THE COMMISSIONER: One more or less doesn't  
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THE HISTORY OF THE  
CITY OF LONDON  
FROM THE FOUNDATION  
OF THE CITY  
TO THE PRESENT  
STATE OF THE CITY  
AND THE COUNTRY  
AROUND IT  
IN THE YEAR  
OF OUR LORD  
1666  
BY  
JOHN STOW  
1618



1 make much difference.

2 A. That is right, one more or  
3 less doesn't make much difference. The  
4 greatest number cancelled in that year were  
5 during the four months between January and  
6 the end of April, 1960. There were 12  
7 cancelled over the three months and there were  
8 2 others where the groundwork had been laid,  
9 or perhaps it is one other.

10 Q. In any case, going into the  
11 year 1960 there was a statistical increase  
12 in the number of cancellations?

13 A. Yes.

14 Q. A marked increase?

15 A. Well, I would say on that that  
16 the reports were more numerous, the police  
17 complaints.

18  
19  
20 (Page 13251 follows)





and the following...

1. The first...

2. The second...

3. The third...

4. The fourth...

5. The fifth...

6. The sixth...

7. The seventh...

8. The eighth...

9. The ninth...

10. The tenth...

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B/FTP/1

1 Q. I think I have finished with that  
2 point. Mr. Gudney, what has not been mentioned  
3 to any great extent, the list of 186 clubs  
4 contained in Appendix I which were clubs  
5 which were refused because of police  
6 objections or that of other government  
7 departments, I notice that out of 123 --  
8 the balance being largely refused because  
9 of real estate ---

10 A. Yes, there are 123. on police objection.

11 Q. That 67 cases out of those there  
12 were two or more police objection. All you  
13 say in the brief is "objection". I would  
14 take it that when these objections came in  
15 to you and you got your police reports,  
16 that if you got two negative reports from  
17 the police, that that was almost sufficient  
18 in itself to refuse the application?

19 A. Well, it wasn't always --  
20 sometimes one police force may approve  
21 and the other object, but if they had ----

22 Q. I am coming to that.-- When you  
23 have two negative reports ----

24 A. Two negative reports.

25 Q. It appeared that you almost  
26 invariably turned them down?

27 A. Yes.

28 Q. Then on thirty-two cases of one  
29 police objection only, where one objected and  
30



THE UNITED STATES OF AMERICA

IN SENATE

January 10, 1906

REPORT

OF THE

COMMISSIONER OF THE GENERAL LAND OFFICE

IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE

ON MAY 12, 1905

AND

IN RESPONSE TO A RESOLUTION PASSED BY THE HOUSE OF REPRESENTATIVES

ON MAY 12, 1905

AND

IN RESPONSE TO A RESOLUTION PASSED BY THE HOUSE OF REPRESENTATIVES

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ON MAY 12, 1905

AND

IN RESPONSE TO A RESOLUTION PASSED BY THE HOUSE OF REPRESENTATIVES

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1 the other did not or did not report, on thirty-  
2 two of those cases then you jettisoned the  
3 charter, you refused to grant the application,  
4 is that right?

5 A. Well, you have the figures.

6 Q. Yes, I worked that out.

7 A. Yes, I would say, if those are --  
8 I haven't analyzed those figures.

9 Q. And among the lists contained in  
10 "I" -- let me put the question this way.

11 Do you recall that in a number of cases  
12 involving Chinese clubs, your Minister would  
13 write you a memo saying that, "We do not  
14 feel we can discriminate against any  
15 particular race", as a reason for granting  
16 some of them?

17 A. I remember ----

18 THE COMMISSIONER: Well, do you recall  
19 that? What is the answer?

20 MR. LAWLER: That was the Toronto Chinese  
21 situation, where you granted some?

22 A. I don't recall many. I recall  
23 two.

24 Q. You recall two?

25 A. I recall two. That is all I  
26 recall. It was two, and it was not a memo.  
27 I remember my conversation with the Minister  
28 when he mentioned that.

29 Q. I see. Well, I notice again in  
30



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1 Appendix "I" that in twelve cases there are  
2 Chinese Social Clubs set forth here who were  
3 refused Letters Patent, ranging through from  
4 1952 to 1960?

5 A. Well, I haven't analyzed those  
6 Chinese compared to the others, but you have  
7 been over the figures which are all set out  
8 there.

9 Q. I suggest that on the basis of  
10 Appendix "I" alone, a considerable number  
11 of Chinese clubs were turned down?

12 A. Is it twelve out of -- 123 police  
13 refusals, twelve were turned down.

14 Q. That is right, that is a  
15 considerable percentage of the 123?

16 A. Ten per cent, around eight to ten  
17 per cent. It would depend upon the nature  
18 of the report. I mean, if the police report  
19 was a strong report and the persons  
20 associated, gambling referred to and that  
21 sort of thing ----

22 Q. In your recollection wouldn't  
23 that report say, as it says almost invariably,  
24 that these Chinese clubs invariably turn  
25 into gambling dens?

26 A. That would sometimes, yes, but  
27 I mean there would be sometimes more than  
28 that. I mean, not just that alone. If  
29 they were refusing on, say, something more  
30







1 then that, it would give the history. It is hard  
2 to say without going into it.

3 Q. All right, just explore the policy  
4 a little bit. When these applications came  
5 in to you, Mr. Gudney, you by and large, I  
6 take it, exercised your own discretion with  
7 respect to whether they would be approved  
8 or disapproved on the basis of the reports  
9 that came to your hands?

10 THE COMMISSIONER: That is not quite  
11 putting it accurately.

12 MR. LAWLOR: I am asking him, my lord.

13 THE COMMISSIONER: I know you are asking  
14 him, but you might inadvertently get an answer  
15 that does not reflect the actual facts. As  
16 I pointed out here Tuesday, the decision in  
17 every instance must be the decision of the  
18 Minister/ The Deputy Minister could say  
19 to his Minister, "In my opinion, based  
20 upon the information I have, it would be  
21 proper to refuse, or it would be proper to  
22 grant the charter", but when you put it to  
23 the witness that in every instance he  
24 exercised his discretion, he has not got  
25 any discretion.

26 MR. LAWLOR: Mr. Commissioner, that is  
27 precisely my point. My point is ---

28 THE COMMISSIONER: As long as you  
29 understand that.  
30

[illegible]





1           MR. LAWLOR: My point is, Mr. Commissioner,  
2           that by some fiction, you might say, that there  
3           was the ministerial discretion being exercised  
4           by Mr. Cudney. My suggestion to Mr. Cudney  
5           is going to be that in case of cancellation  
6           it was always referred to the Minister, but  
7           in case of the original applications being  
8           either accepted or rejected it was very  
9           seldom referred to the Minister; that  
10          Mr. Cudney exercised this discretion on  
11          his own.

12          Q.       Isn't that correct, Mr. Cudney?

13          A.       I don't know anything about  
14          "seldom". I mean, as I have said before on  
15          different occasions here, when a report came  
16          in through the police, at least any club,  
17          I asked the solicitor in the Department  
18          dealing to bring it to my attention, in other  
19          words not to grant it or refuse it on their  
20          own.

21          THE COMMISSIONER: You are now talking  
22          about granting of charters?

23          MR. LAWLOR: Yes.

24          THE COMMISSIONER: Not cancellation.

25          MR. LAWLOR: Not cancellation, and there  
26          are two parts to that question.

27          THE COMMISSIONER: I misunderstood your  
28          question.

29          THE WITNESS: The reports were as far as  
30







1 I know, to my knowledge, all brought to my attention,  
2 and if it was a strong objection from the police,  
3 I considered the report, my lord, and if I  
4 thought that the police -- in view of the  
5 evidence I would refuse the application  
6 without taking it up with the Minister.

7 THE COMMISSIONER understood that. Then we have  
8 instances where the lawyer representing the  
9 applicant, I think perhaps properly, said:  
10 "I am not satisfied to have my application  
11 disposed of at the Deputy Minister level,  
12 because you haven't any right to exercise  
13 the discretion, and I am going to the Minister  
14 with it?"

15 A. Yes.

16 Q. And on occasions the Minister  
17 would override, do you remember?

18 A. And in cases, my lord, where  
19 the police report did not seem too strong  
20 but where there may be doubt I would take it  
21 up with the Minister for his consideration.  
22 If it was a strong report I would ----

23 MR. DAWSON: No, what I am after is a little  
24 different. Take a case where the reports of  
25 the police and everyone concerned were  
26 completely favourable. You would incorporate  
27 that club without further reference?

28 A. Yes.

29 Q. And in three instances at least  
30





I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the matter of the proposed amendment to the Constitution of the State of New York, and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

Very respectfully,  
 J. B. Thompson, Secretary.



1 that we have come across you have, on the basis  
2 of unfavourable reports, refused applications  
3 without referring them first to the Minister.  
4 I refer to the Algonquin, the Apter and the  
5 Spadina.

6 A. Yes, I think ----

7 Q. They were not taken up with the  
8 Minister in the first instance. You exercised  
9 the discretion?

10 A. Yes.

11 Q. I am not blaming you now. I  
12 mention this is the way things worked. You  
13 felt on the basis of the reports that this  
14 was the legitimate way in which that  
15 discretion ought to be exercised obviously?

16 A. And the Port Credit.

17 Q. Now, I understand the policy  
18 is to refer everything to the Minister,  
19 is it?

20 A. Yes.

21 Q. That is on page 12823 of your  
22 evidence recently -- everything, all  
23 applications?

24 A. And it is mentioned in the  
25 brief, yes. Well, not all -- any refusals  
26 are referred to the -- refusals are  
27 at least  
28 referred, all -- any objections rather are  
29 referred to the Minister and applications  
30 for incorporation come to my attention. If







1 they are favourable I look them over and they  
2 send them off with my initials, if the reports  
3 are favourable.

4 . I want to explore the subject of  
5 complaints coming into the Department a little  
6 bit, and I would ask Mr. McCormick if he would  
7 get out the Athene Social Club. I am  
8 dividing up the complaints into two kinds.  
9 Were there ever any instances where there  
10 was a private complaint, that is, a complaint  
11 from a private citizen, <sup>come</sup> /into your hands?

12 A. This is in respect to cancellation  
13 or incorporation or any complaint?

14 Q. Any complaint.

15 A. Yes, I remember -- there is the  
16 odd one. Mostly, it is almost always a  
17 police complaint, but there has been the odd  
18 private citizen who has complained.

19 Q. Yes, would you take a look in  
20 the Athene Social Club file there, where  
21 Mr. William Lewis of the Visualized Display  
22 Company wrote to you with respect to the  
23 Athene Social Club, advising as to what  
24 apparently was illegal activities being  
25 carried on, and Mr. Lewis was apparently  
26 quite upset about the whole thing. I  
27 haven't the date of the letter. Do you  
28 find it there?

29 A. December 19th, 1957, from, it  
30







1 looks like, Mr. William Lewis, addressed to me  
2 re the Athene Social Club.

3 Q. This was on Dundas Street West --  
4 no, this is the address of Mr. Lewis?

5 A. His address was, Lewis's address  
6 was 326.

7 THE COMMISSIONER: What difference does  
8 it make where he lived?

9 MR. LAMLER: Q. Then what did you do  
10 as the result of that complaint coming into  
11 your hands?

12 THE COMMISSIONER: Was it a complaint  
13 with respect to the activities of an existing  
14 club?

15 MR. LAMLER: That is right, my lord.

16 THE WITNESS: I wrote to Mr. Lewis,  
17 I said:

18 "I would be very pleased to arrange  
19 "an appointment with you at the  
20 "office to discuss the matter more  
21 "fully."

22 And asked him to call the office, gave him the  
23 telephone number to make an appointment.

24 Q. Did he appear?

25 A. There is no indication that he did,  
26 Mr. Lamler, I don't remember the case myself.

27 Q. I see. In any event ---

28 A. By the way, in the letter here --  
29 I am just reading the letter over here -- he  
30







1 refers to misuse of the charter. Yes, he is  
2 complaining about the club, about the  
3 activities of the club.

4 Q. Did you refer that to the police  
5 at all?

6 A. No.

7 Q. Now, the other kind of ---

8 A. I mean, there wasn't enough in  
9 the letter. He is complaining generally  
10 here, and I asked him to come in and see me.  
11 Now, I can't remember whether he came in  
12 or whether he called me or not, or whether  
13 he dropped it there, I don't remember.

14 Q. Will you read his letter, Mr.  
15 Cudney. It is not very long.

16 A. "Dear Sir:

17 "The writer wishes to bring to  
18 "your attention the misuse of the  
19 "charter the above director\_s now  
20 "hold by having more than one  
21 "club room in present operation  
22 "at 267 Yonge Street (upstairs)  
23 "and one at Clinton and College  
24 "Streets, using in both instances  
25 "their charter in photostatic  
26 "form keeping the original one  
27 "away in case of a police raid  
28 "as one which took place in  
29 "March, 1936, at 367 1/2 College  
30

[illegible]





1 "Street and being out shooting 'craps'  
2 "but in some way 'wiggled' out from  
3 "being convicted due to the fact that  
4 "the blame was laid against the address,  
5 "and keeping out the names of those  
6 "running the place. Plus paying  
7 "several hundred dollars to some  
8 "in the 'know' to hush-hush the  
9 "matter, etc.

10 "Whilst occupying the premises  
11 "at 367 College Street, Toronto,  
12 "and after the police raid crap  
13 "shooting went on in the basement  
14 "right along as I found out they  
15 "skipped out of the above premises  
16 "leaving the evidence of their  
17 "operation.

18 "And when moving they took  
19 "along with them tables and an  
20 "electric fan, plus owing to  
21 "several trades people bills unpaid  
22 "which they might put a mechanic's  
23 "lien against the building as  
24 "owner might find myself liable.

25 "Besides that left unpaid  
26 "gas and water bills which I was  
27 "compelled . . . "

28 Q. I don't think that is too important.

29 A. No, but I am bringing the matter  
30





1 to your attention.

2 THE COMMISSIONER: He was apparently the  
3 landlord.

4 A. " . . . left unpaid gas and water  
5 "bills which I --- "

6 Q. "Besides that left unpaid gas  
7 "and water bills which I was compelled  
8 "to pay."

9 J. Yes, I would take it he is the  
10 landlord but he says, I think, my lord, at  
11 the end of the letter here that they "skipped" --  
12 yes, he says:

13 "I found out they skipped out of the  
14 "above premises."

15 In other words, they had left the premises  
16 at that time. So I wrote him and asked him  
17 for an interview to come in.

18 MR. LAWLER: Q. Well, turning to the  
19 police type of complaint ---

20 THE COMMISSIONER: Are you all through  
21 with the Athens Social Club?

22 MR. LAWLER: Yes, I am.

23 THE COMMISSIONER: That was subsequently  
24 cancelled?

25 MR. LAWLER: That is right. I just  
26 wish these clubs for one specific purpose.

27 Q. Turning to the police complaints,  
28 in 1946 a letter was written contained in your  
29 file, in your Appendix D, I believe, as Item 2  
30





to have been given.

THE COMMISSIONER OF THE DISTRICT OF COLUMBIA

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1 on page 3. This is to the Hon. D.R. Michener,  
2 to yourself, Mr. Gudney, dated 24th August, 1946.  
3 It is with respect to the chief constables:

4 "I am enclosing herewith a draft  
5 "letter proposed to be sent to the chief  
6 "constables of all cities in the  
7 "province relative to our policy  
8 "concerning the incorporation of  
9 "social clubs."

10 THE COMMISSIONER: Where are you reading?

11 MR. LAWLER: At the top of page 2, my  
12 lord, at the beginning of the letter. Now,  
13 my lord, I propose to switch over to the last  
14 paragraph on page 3 where they say:

15 "The chief constable of the  
16 "municipality where the head office  
17 "is to be situate will be notified  
18 "when the charter is issued. We  
19 "would solicit your assistance in  
20 "informing us if you have any  
21 "trouble with an incorporated club  
22 "and we will be pleased to co-  
23 "operate with you."

24 Is that correct?

25 A. Yes.

26 Q. All right, and was any letter of  
27 a similar nature asking for police assistance  
28 and advising them of the various clauses in  
29 the charters which may be utilized against  
30







1 social clubs, I say, was any similar letter ever  
2 sent subsequent to 1946?

3 A. A general letter like this to the  
4 police? No, not that I recall.

5 Q. This is the only occasion on  
6 which the Department requested formal police  
7 assistance on complaints with respect to the  
8 operation of social clubs, is that correct?

9 A. I wouldn't say it is the only  
10 time we have formally requested because I  
11 have had different talks with many police  
12 forces over a great number of years and  
13 I have always enlisted their co-operation.  
14 This is the only time that a letter like  
15 this, a general form letter so to speak,  
16 was sent to the police.

17 Q. What I am trying to get at is  
18 as to whether a police force up in Pembroke,  
19 for instance, the local police force would  
20 be fully cognizant of the various provisions  
21 in the charters which would make the  
22 charters liable to cancellation in case  
23 of contravention of them, because of  
24 activities in that particular locality?

25 A. Well, the larger municipalities  
26 certainly would know, and the Anti-Gambling  
27 Squad of the Provincial Police are well  
28 aware of these provisions even from their  
29 inception, and they do a lot of work in  
30



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1 respect to clubs all over Ontario outside of  
2 Metropolitan Toronto.

3 Q. I suggest to you on the evidence  
4 disclosed at this hearing thus far, that in  
5 only two and perhaps three cities is this  
6 true. I refer, of course, to Toronto  
7 where you were in constant consultation, but  
8 as I remember only a few cases where the  
9 Hamilton Police would come forward with a  
10 complaint about contravention of any of  
11 these clauses, and I think there is a most  
12 case in the case of the local police in  
13 Windsor, but those are the only two cases  
14 there, aren't they?

15 A. Well, those were the centres  
16 outside of Toronto where there seems to have  
17 been, there has been the odd centre where  
18 there has been difficulty with clubs, but  
19 they are the two centres outside of Toronto.  
20 There may be one or two other places but I  
21 don't think it is because -- I think they  
22 have known of their regulations because  
23 they have brought in complaints. If there  
24 were complaints they didn't bring to my  
25 attention, of course, I cannot say. The  
26 Anti-Gambling Squad certainly brought them  
27 to my attention. They worked all over  
28 Ontario in conjunction -- I think the local  
29 police call in the Anti-Gambling Squad -- I  
30







1 don't really know, but that is supposition -- if  
2 they had trouble with a club. I mean, I have  
3 had a great many correspondence with chiefs of  
4 police and had them in my office over many  
5 years from almost every town and city in  
6 Ontario.

7 Q. Apart from the switch of head  
8 office, it is almost invariably the case,  
9 would you agree with me -- overwhelming --  
10 that it was the police who initiated  
11 investigations or informed you of these  
12 situations with respect to these clubs?  
13 You on your side within the Department very  
14 seldom, if ever, referred matters to the  
15 police for investigation?

16 A. Well, I wouldn't say that, Mr.  
17 Lawlor. These three that resulted in  
18 cancellation were brought to our attention  
19 by the police. There are cases where -- well,  
20 Ottawa is one I read in first in the newspaper  
21 and started proceedings going, and then was  
22 in touch with the police.

23 I would say from what appears in the  
24 brief here that just, I mean, the cancellations --  
25 but three years ago I instructed our annual  
26 returns office to bring to my attention any  
27 cases where social club annual returns had  
28 been filed in bulk or where the head office  
29 had been changed or where the personnel of  
30

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1 the directors had been changed. There have been  
2 a number of cases that have been brought to my  
3 attention, and sometimes by looking over the  
4 file there is nothing that seems unusual, but  
5 in other cases I have written to the police  
6 for reports, and these reports have come in  
7 favourable. I have looked into it and the  
8 club was going on as it should. I mean, it  
9 does not appear in the brief here but, I  
10 mean, there have been a number of cases  
11 where I have written to the police as a  
12 result of our investigation.

13 Q. Yes, but you heard at the beginning  
14 of my previous question, apart from cases where  
15 returns as filed indicate a change of head  
16 office -- in those cases your department  
17 was acute to have investigation made ---

18 A. Or other instances, where arrears  
19 were filed or where directors changed.

20 Q. Where a bundle of returns would  
21 come in?

22 A. That is right.

23 Q. In a specific year. Do you remember  
24 any instance in which you then, on the basis  
25 of that alone, referred to the police for  
26 investigation?

27 A. Well, these matters have been  
28 taken up when the situation became more acute  
29 three years ago. I don't remember where it was  
30



The first of these is the fact that the  
 government has been unable to raise  
 the necessary funds to meet its  
 obligations. This is due to a  
 number of factors, including the  
 fact that the government has been  
 unable to attract foreign investment  
 and has been forced to rely on  
 domestic sources. This has led to  
 a severe shortage of funds, which  
 has in turn led to a default on  
 its foreign debt. The second factor  
 is the fact that the government has  
 been unable to implement the  
 reforms that were promised to  
 the international community. This  
 has led to a loss of confidence in  
 the government and has made it  
 difficult to attract investment. The  
 third factor is the fact that the  
 government has been unable to  
 control inflation. This has led to a  
 sharp increase in the price level,  
 which has in turn led to a  
 decrease in the value of the  
 currency. This has made it even  
 more difficult for the government to  
 raise the necessary funds to meet  
 its obligations.





1 maybe -- where a bundle of annual returns -- I  
2 mean, they have been brought to my attention  
3 where a bundle was filed. It may be about  
4 that time (I don't know) I called the police,  
5 or whether at that time the police objection  
6 came in. You mean where the Department  
7 would say to the police if they ----

8 Q. Yes, for many years past I suggest,  
9 on the basis of that alone, I am asking whether  
10 you would ask for police investigation?

11 A. Well, I don't think since we  
12 started this policy three years ago of  
13 bringing them directly to my attention, I  
14 think there have been cases, yes.

15 THE COMMISSIONER: When you say three  
16 years ago, precisely when did that departmental  
17 policy ---

18 A. About December 20th, 1959.

19 MR. LAWLER: Q. Now, would it be fair  
20 to say, again, in the overwhelming majority  
21 of instances where you did get police  
22 complaints, that that was subsequent to  
23 either convictions or charges being laid?

24 THE COMMISSIONER: In the great majority  
25 of cases.

26 MR. LAWLER: Q. In the great majority  
27 of cases?

28 A. Yes, were in respect to convictions,  
29 where police complaints were usually with respect  
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1 to convictions or charges being laid.

2 MR. LAWLOR: Q. The police in other words  
3 desisted, it appears, from filing complaints  
4 until after they had acquired sufficient  
5 evidence for convictions, would that be a  
6 fair statement?

7 A. No, they did bring to us cases  
8 where there was suspicion of ---

9 Q. I am saying in the majority of  
10 cases, Mr. Gudney?

11 A. The majority of cases, yes.

12 Q. There are instances where the  
13 gambling was notorious and they brought it to  
14 your attention. Mr. Gudney, I desire now to  
15 turn to the wonderful subject of trafficking.  
16 To make a long story short, I have noted in  
17 the last few days twenty-five different cases  
18 of trafficking, some of which have been gone  
19 over by Mr. Estey and which I propose not to  
20 touch on. If Mr. Wilson wishes to have  
21 this list ---

22 THE COMMISSIONER: Just a moment.

23 MR. WILSON: My friend makes a statement  
24 of that kind. I am sure he will tell us who,  
25 what clubs are involved.

26 THE COMMISSIONER: I would expect he  
27 would. He has not finished yet.

28 MR. LAWLOR: Q. Now, on this branch of  
29 the investigation, first of all if you have a  
30







1 copy of the brief there, Mr. Cudney, would you  
2 turn to page 48 where you have a definition of  
3 trafficking at the bottom of the page in the  
4 Department's comments. It reads as follows:

5 "Mr. Wintermeyer does not define  
6 "the term 'trafficking'. Presumably  
7 "he is referring to the case where a  
8 "corporation has been operating in one  
9 "place and the charter is then 'bought'  
10 "by new interests and moved to another  
11 "place, or to the case where a charter  
12 "has been dormant for many years and  
13 "is then reactivated by new interests."

14 These are two instances of trafficking. I  
15 suggest to you. There is at least one more.  
16 Would you agree that there is a third type  
17 where there is an established club in one  
18 place operating a branch office in another  
19 place?

20 A. Like the one in Timmins having  
21 a branch in Peterborough? Well, it would  
22 depend. I would say, first of all, if  
23 they were -- suppose it was a national or  
24 a group, some people with a common bond,  
25 say, and they opened a branch, they had a  
26 head office in Timmins and they opened a  
27 branch in Peterborough and there was some  
28 common bond between the people by reason  
29 of nationality or economic interests,  
30







1 something of that nature. Then I would be  
2 inclined to say -- but if some group in  
3 Peterborough bought or opened a branch, I  
4 would be inclined to think that was trafficking.  
5 Of course, they may possibly come under the  
6 charters bought ---

7 Q. Mr. Guiney, we have had instances,  
8 as you say, where the Porcupine, the Miners'  
9 Club and the West End Social Club and others  
10 have operated branches?

11 A. That is right.

12 Q. Is there any question in your  
13 mind that this is trafficking in charters?

14 A. No, I would be inclined -- unless  
15 there was some common bond between the parent  
16 one in Timmins and the one in Peterborough,  
17 I mean, such as some national bond or  
18 something like that. I am thinking of  
19 national organizations where they have  
20 branches all over the country, but, I mean,  
21 if there is no common bond ---

22 Q. I am talking about Ontario  
23 incorporated social clubs.

24 A. If there is no common bond, I  
25 would say it was.

26 Q. Right, so that is a possible  
27 third definition, third arm of the definition.  
28 Turning to page 49, the next page, the second  
29 paragraph of that page in your comments you  
30







1 say: "As the result of this legislation and  
2 "change in the departmental policy . . . " --

3 this is what I am after anyhow --

4 " . . . (the latter resulting in the  
5 "cancellation of five social clubs  
6 "where it would appear that there had  
7 "been a trafficking in the charter). . . " --

8 what I am after is the names of these five  
9 social clubs that you are mentioning there.

10 Do you recall?

11 A. Well, those five ---

12 Q. Maybe I can help you.

13 A. To tell you those five, I think I  
14 can. There is Ottawa in one, and Preston  
15 is another. There is the Community is  
16 another. Some of these have other grounds  
17 as well, but this is partly the grounds.

18 THE COMMISSIONER: That is three.

19 MR. WILSON: They are in Appendix J.

20 THE WITNESS: Club 21, that is four.

21 MR. LAWLER: Again, my lord, perhaps I  
22 can help. This is a difficult thing to do.

23 Q. Would you say that the Border City  
24 Rendezvous Club might have been one?

25 A. I would have to check that. I don't  
26 just remember. I just forget the detail of  
27 that one, but there is the Columbia.

28 Q. Perhaps the Columbia Bridge Club?



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1 A. I would have to check both of those.

2 Q. I see.

3 A. I couldn't say until I check. I  
4 would say the Community, the Nottawa, the  
5 Preston and, as I recall, the 21 Club. Club 21  
6 was a case of forfeiture.

7 MR. WILSON: The Central Amateur. If  
8 you go through "J" you get them all. They  
9 are all set out.

10 MR. LAWLER: Q. Turning to "J", Mr.  
11 Cudney, I think this was mentioned the other  
12 day. I believe in all of "J" that the  
13 grounds for cancellation which are set out,  
14 the word "trafficking" is used only once.  
15 If you refer to J-11, the Central Amateur  
16 Athletic Association, the grounds, the cause  
17 for cancellation set out are:

18 "Evidence of illegal gaming and  
19 "trafficking in charter."

20 Do you recall that instance of the Central  
21 Amateur Club?

22 A. Yes. My letter to the club of  
23 cancellation was on forfeiture of corporate  
24 powers.

25 Q. As a matter of fact, it is for-  
26 feiture of corporate powers, and when that  
27 appears it almost invariably indicates  
28 gambling -- trafficking, isn't that correct?

29 THE COMMISSIONER: What?  
30



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B/4

1 MR. LAWLER: Q. With the words "forfeiture  
2 of corporate powers", which is basically non-  
3 user, that almost invariably in this "J"  
4 section indicates trafficking?

5 A. Well, that is -- yes.

6 Q. It is another word almost for  
7 trafficking. There may be other grounds.

8 A. It is very closely related.

9 Q. Very close to it?

10 A. Related to it. I mean, I remember  
11 that the Central Amateur Athletic, I checked  
12 my letter that I wrote of cancellation in  
13 1954. It was on the basis of the forfeiture  
14 of corporate powers. The police report  
15 analyzed -- I mean, you might get three or  
16 four grounds. It was that one ground I  
17 mentioned in my letter. It could have  
18 appeared that there was trafficking and  
19 there was evidence of a whole background  
20 behind the whole thing, evidence of illegal  
21 gaming.

22 Q. Mr. Gudney, would you get out  
23 the Alpha Club?

24 THE COMMISSIONER: Are you still under  
25 the heading of trafficking?

26 MR. LAWLER: Yes, this is the trafficking  
27 situation.

28 Q. Would you turn to the letter in  
29 there from the Chief Constable of the City of  
30





1. The first part of the report deals with the general situation of the country and the progress of the work of the Commission.

2. The second part deals with the work of the Commission in the field of the study of the history of the country.

3. The third part deals with the work of the Commission in the field of the study of the geography of the country.

4. The fourth part deals with the work of the Commission in the field of the study of the natural resources of the country.

5. The fifth part deals with the work of the Commission in the field of the study of the social and economic conditions of the country.

6. The sixth part deals with the work of the Commission in the field of the study of the culture and education of the country.

7. The seventh part deals with the work of the Commission in the field of the study of the science and technology of the country.

8. The eighth part deals with the work of the Commission in the field of the study of the law and administration of the country.

9. The ninth part deals with the work of the Commission in the field of the study of the foreign relations of the country.

10. The tenth part deals with the work of the Commission in the field of the study of the international law and the international relations of the country.



1 Peterborough dated June 13th, 1961?

2 A. That is in the old file.

3 A. Maybe I can shorten this up. This  
4 is a fairly lengthy letter. Would you on  
5 page 2 at the top read down to the bottom?

6 A. Yes, this is a letter from W.J.  
7 Shrubb, Deputy Chief Constable, dated  
8 June 13th, 1961, addressed to Deputy  
9 Provincial Secretary, Attention Mr. Lavine.  
10 He says on page 2:

11 "I would point out that this  
12 "same premises was raided in November,  
13 "1955, as being common gaming house  
14 "and the case was finally disposed of  
15 "in 1957. Four keepers were  
16 "convicted. It then operated as  
17 "a branch of the Tisdale Club and  
18 "this branch was cancelled, the  
19 "Tisdale Club charter being an  
20 "inactive company issued in the  
21 "Timmins area. The branch operated  
22 "here but there was no operation in  
23 "the Timmins area other than what  
24 "was referred to as the head  
25 "office. I am sure that the  
26 "Ontario Provincial Police Anti-  
27 "Gambling Branch established to  
28 "their satisfaction at that time  
29 "that there was some association  
30







1 "with the Tisdale Club and the operators  
2 "of the other major gambling clubs that  
3 "were then operating at Cookeville,  
4 "Port Eate and Windsor.

5 "Mr. Yeates was the owner of  
6 "the building that the Tisdale Club  
7 "operated and testified on behalf of  
8 "the defense as to the ownership of  
9 "the premises at that time. He  
10 "stated that he had not given the  
11 "keepers permission to barricade  
12 "the door to these premises when it  
13 "operated as a gaming house, but he  
14 "did not object when he became aware  
15 "of this condition.

16 "In the early part of 1954  
17 "and prior thereto, the Cookeville  
18 "Club operated under the name of the  
19 "Alpha Club, and it was after it was  
20 "established that the returns of  
21 "this charter had not been properly  
22 "filed annually that the club  
23 "operators substituted this charter  
24 "with a federal charter, a unit of  
25 "the Army, Navy and Air Force  
26 "Veterans in Canada, Unit 326.

27 "I questioned Mr. Lewis  
28 "yesterday with respect to the Alpha  
29 "Club mentioned here, and he stated  
30



The first of these is the fact that the  
 Government has been unable to secure  
 the necessary funds to carry out its  
 policy of non-interference in the  
 internal affairs of the country.  
 The second is the fact that the  
 Government has been unable to secure  
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 The third is the fact that the  
 Government has been unable to secure  
 the necessary funds to carry out its  
 policy of non-interference in the  
 internal affairs of the country.





1 "that he had also been one of the original  
2 "applicants for this charter and it was  
3 "issued by the federal government in  
4 "1927. It had been used in Peterborough  
5 "until the war years, second world war,  
6 "and then it was disbanded. A gambler  
7 "known as Raymond ('Razor') Sullivan  
8 "and one Gerrity, well known in the  
9 "Toronto area, came to Peterborough  
10 "and asked Yeates to allow them to  
11 "use the charter. He agreed to this  
12 "and it was employed at Cooksville.

13 "These additional facts will  
14 "further serve to support our objection  
15 "to this charter being issued. In  
16 "concluding I would point out that  
17 "the City of Peterborough is free  
18 "of this type of operation at the  
19 "present time, and it is the desire  
20 "of the Department to have it remain  
21 "that way."

22 Q. On the basis of that, you refused  
23 to issue the charter in 1960?

24 A. Yes, we refused. This was an  
25 application for the Alpha Club of Peterborough.  
26 It had no connection, my lord, with the old  
27 Alpha Club.

28 . Except that there is a connection  
29 through people?  
30







1 A. Yes, that is true. I meant,  
2 technically it had no -- I wanted to differentiate  
3 it from the old Alpha.

4 Q. I don't wish to prolong this  
5 questioning on this aspect. Mr. Wilson has  
6 raised the point and perhaps I might just  
7 briefly run through the clubs that I have  
8 noted in this context, my lord, or if my  
9 lord feels it is better on argument I am  
10 prepared to do that.

11 THE COMMISSIONER: I think it would be.

12 MR. LAWLER: Q. There is one club  
13 that has not been given any role yet,  
14 Montcalm Amateur Athletic Association.  
15 The point I wish to make on this one is that  
16 it obtained an Ottawa incorporation and it  
17 was operated at 1289 Bloor Street West,  
18 Toronto. If you can just check that I think  
19 I can get on.

20 A. This club was incorporated in  
21 Ottawa, I remember that. It was from  
22 Ottawa and it operated in Toronto. There  
23 was a conviction. I am sorry, no, I am  
24 mixed up with the ---

25 THE COMMISSIONER: What is the point  
26 you want to raise with respect to it?

27 MR. LAWLER: Q. That it was incorporated  
28 in Ottawa although they were subsequently  
29 found operating in Toronto under different  
30

[illegible]





1        directorate.

2            A.        I just want to check this.

3            Q.        I just want to establish that this  
4        is a case of trafficking.

5            A.        There is a conviction.

6            MR. WILSON:    It is referred to in the  
7        brief at 85.

8            THE WITNESS:    No, I think -- this was  
9        a conviction in Ottawa because the Chief of  
10       Police of Ottawa sent as a copy of the  
11       conviction of one person being convicted in  
12       Ottawa and that was in July, 1958, and it  
13       was cancelled in August, 1958.

14           MR. LAWLER:    Q.    Then if you refer to K.3,  
15       Mr. Gudney?

16           A.        Before we leave the Montcalm,  
17       there is no indication that it ever operated  
18       in Toronto.

19           Q.        That is what your brief says  
20       at page 85, that there is no evidence of it  
21       having operated as Mr. Wintermeyer says.

22       At K.3 I refer you to the Metropolitan Police  
23       report.    Is "Montcalm Social Club" not  
24       the same entity?

25           A.        Well, now, he says it is  
26       cancelled September 5th, 1958.    That would  
27       be the same one, incorporated August 28, 1931.  
28       I don't know if they ever did operate.    This  
29       is the first we -- or I think it is mentioned  
30



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1 in Mr. Wintermeyer's speech, but we had never any  
2 complaint to my knowledge from the Toronto Police.  
3 I think the file here shows a complaint from  
4 the Chief in Ottawa, of a conviction in Ottawa.

5 Q. But that is what this "K" Appendix  
6 shows, my lord, are complaints from the  
7 Metropolitan Police.

8 MR. WILSON: No, they don't.

9 THE WITNESS: This is a report from the  
10 Metropolitan Police.

11 MR. WILSON: That is on December 18, 1961.

12 THE WITNESS: Yes, this is a verbatim  
13 report from the Metropolitan Toronto Police, "K".  
14 I mean, this is what they say, Montcalm Social  
15 Club, and it gives these facts. Now, that  
16 is not the Department's.

17 MR. LAWLER: Q. I appreciate that, but  
18 haven't they informed you of these clubs'  
19 existence by way of complaint somewhere along  
20 the line?

21 A. There is nothing on file here I  
22 can see.

23 Q. But they do state in this appendix  
24 that these are complaints, these various clubs?

25 A. Well, we haven't been able to --  
26 all I have here is this file here, is all I  
27 can find, unless in some other file in regard  
28 to some of these other clubs they may have  
29 mentioned Montcalm. I don't know.  
30



[illegible]



1 Q. I think my point will be established  
2 if you simply agree that the police do indicate  
3 that the Montcalm Social Club operated at  
4 1259 Bloor Street West, a former address of  
5 a number of other clubs?

6 A. Yes, that is what the police  
7 report says.

8 Q. At some point. That is what  
9 the police report says?

10 A. In December, 1961, yes. Now,  
11 sometimes they might carry on after cancellation  
12 unincorporated under the same name, I don't  
13 know, or they may have carried on there  
14 before cancellation as an incorporated body,  
15 but we have no record, as the brief says.

16 Q. Again it refers to the date  
17 of incorporation and cancellation which you  
18 find coincident with what you have on file?

19 A. Yes.

20  
21 (Page 13280 follows)  
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C/1/PAL

MR. LAWLER: Q. Another club, has been mentioned by my friend in this connection is the Iroquois Club. There is a letter from Mr. Whiteside, the Deputy Crown Attorney, on April 27, 1951, to you. The Iroquois Club at Windsor.

A. April 27, 1931 -- '51.

Q. April 27, 1951. Somewhere in this letter he mentions this club came from Amherstburg, Ontario, and was noticed first in Windsor by the police in 1930. Is that correct?

A. Oh, yes. That is right.

Q. Before you answer that: This club was incorporated on February the 1st, 1927. Is that correct?

A. You.

Q. This letter to which I refer says the club came from Amherstburg.

A. Yes. Mr. Whiteside, the assistant  
Crown Attorney, said the club came from  
Amherstburg.

Q. I think the easiest way to handle this would be if I was to say I consider this a case of prima facie trafficking. Have you anything in the pile just offhand to refute that? Was it limited in its objectives?

A. No, it wasn't. It was a 1927 incorporation. It wasn't limited. The



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1       incorporators were from the Town of Amherstburg.  
2       The head office was in the Town of Amherstburg.

3               THE COMMISSIONER: Q. Its objects?

4               A.       Its objects were to establish,  
5       maintain, my lord, and conduct a club for  
6       the accommodation of its members and their  
7       friends and to provide a club house and other  
8       conveniences and, generally, to afford the  
9       members and their friends all the usual  
10      privileges, advantages, conveniences and  
11      accommodation of a club and to promote friendly  
12      and social intercourse among its members.

13      Looking over the returns I see that over the  
14      years some of the members were from Windsor,  
15      one from Detroit -- I am looking at the '33.

16              MR. LAWLOR: Q. Look at the '50, now.

17              A.       1950.     All the directors and  
18      officers are Windsor, my lord.

19              Q.       Check that over against the 1940 --  
20      make it 1945, see if they are the same officers.

21              A.       No, they are not the same. As  
22      a matter of fact, the officers, though, in  
23      1945, were all from Windsor as well.

24              Q.       But not the same officers. Jump  
25      on to -- This was cancelled in 1955. Take  
26      a look at the 1954 returns and see if the  
27      officers are the same as the 1950.

28              A.       The last one we have is 1952.  
29      1952 is the last, my lord.  
30







1 Q. There has been some change  
2 in the directorate again over against 1950?

3 A. Pat Drouillard is still a  
4 director.

5 THE COMMISSIONER: Q. What is his first  
6 name?

7 A. Pat Drouillard is still a  
8 director. The others are different.

9 Q. What year was that?

10 A. 1952, my lord -- I am looking at  
11 the 1950 and 1952, my lord.

12 MR. LAWLER: That is all I wish with  
13 that club.

14 is  
15 I am going to contend that, a case of  
16 trafficking, my lord, just as it stands. It  
17 is not that important.

18 The Miner's Club.

19 A. Yes, I have that, Mr. Lawler.

20 Q. This club was incorporated March  
21 19, 1925, in the Township of Tisdale.

22 A. That is true.

23 THE COMMISSIONER: What do you want to  
24 develop with respect to that?

25 MR. LAWLER: Another instance in point,  
26 my lord, where they had branch operations. It  
27 is not really new, it is just another case.

28 THE COMMISSIONER: We have had evidence  
29 on that.

30 MR. LAWLER: The facts of the case are it



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1 had a branch on Yonge Street and a branch in  
2 Hamilton and there was a conviction in Hamilton.  
3 As a result Mr. Turehyn, in 1956, writes --  
4 the Provincial Secretary writes saying it  
5 would be terminated forthwith unless they dis-  
6 continued the branch in Hamilton. Turehyn  
7 writes the Provincial Secretary saying they  
8 would see it is discontinued. On September  
9 the 3rd, 1957, the Miner's Club were found  
10 guilty on its own grounds up in Tisdale and  
11 Turehyn was convicted of a gambling offence.  
12 That is the evidence I wanted to get into the  
13 record with respect to the Miner's Club. If  
14 Mr. Cudney has no objection to what I said  
15 we can leave it.

16 A. That is right, Turehyn was  
17 convicted.

18 THE COMMISSIONER: He agrees.

19 MR. LAWLER: The Divion Club.

20 These are all cases of trafficking, my  
21 lord.

22 MR. WILSON: That is in the brief at page  
23 43 and Appendix J at 8, 13 and 20, and K, 4.

24 MR. LAWLER: K 23. It had its head  
25 office at 2 Tyndall Avenue, Hamilton.

26 A. 2 Tyndall Avenue, Toronto.

27 THE COMMISSIONER: Supposing you adopt  
28 the same method of dealing with that as you did  
29 with respect to the Miner's Club: State your  
30

[illegible]





1 point and what you understand the facts to be  
2 and maybe Mr. Cudney can agree it is correct.

3 MR. LAWLER: Perhaps we could have a  
4 brief recess while I check that, my lord?

5 THE COMMISSIONER: Very well.

6  
7 ---Short recess.

8 Q.

9 MR. LAWLER: Mr. Cudney, we were discussing  
10 the Divion Club and the matter of trafficking.  
11 You have a copy, and I have taken a photostat  
12 copy, of the police report, a very lengthy  
13 police report, of a Sergeant Priestly from  
14 Hamilton, I believe, submitted to Chief Mackey.  
15 In that report --

16 A. Sergeant Priestly is Toronto.

17 Q. Then, it is Chief Mackey of  
18 Toronto. On the first page, just incidentally  
19 in passing, all the returns -- in 1950 the  
20 returns from 1936 to 1949 inclusive were  
21 filed, with the 1941 return being a carbon  
22 copy, apparently, of the return for 1940. Is  
23 that correct?

24 Q. Is that what it says?

25 A. In his report, yes. I will just  
26 check the file.

27 Q. Do not, please, Mr. Cudney; do  
28 not. I think the point has been made many  
29 times. Then, on top of page 2 it says:

30 " Investigations conducted in





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1 "Hamilton, Ontario, disclose that  
2 "the Divion Club was operating in  
3 "Hamilton, as indicated by a report  
4 "submitted to this department as  
5 "follows: . . ."

6 A. Yes.

7 Q. I do not intend to go very deeply  
8 into that. He says:

9 "The premises at 9A MacKay  
10 "Street South, basement, was  
11 "checked by . . ."

12 The officers. They go into ticker tape and  
13 various accoutrements found on that premises.

14 A. Yes.

15 Q. And there was a conviction  
16 registered against Andrew Papalia for keeping  
17 a common betting house at that address?

18 A. Rocco Papalia --

19 Q. Rocco Papalia and Andrew Papalia  
20 was charged and Angelo was convicted. He  
21 pleaded guilty.

22 A. Yes, that is true. That is correct.

23 Q. Also on page 3, second paragraph,  
24 there is mention:

25 "As a result of complaints  
26 "regarding illegal betting  
27 "activities being carried on in  
28 "the premises situated at 1234  
29 "Queen Street West in Toronto, . . ."



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1 A. Yes.

2 Q. Is that correct?

3 A. That is correct.

4 Q. The fourth paragraph says:

5 "Early in the year 1957 the  
6 "premises at 1284 Queen Street, West,  
7 "were renovated. Subsequently,  
8 "the West End Bridge and Social Club  
9 "occupied the premises in October  
10 "of 1957."

11 Is that right?

12 A. Yes, that is correct.

13 Q. I think we have sufficiently  
14 established the nature of that.

15 Now, without getting out the file we  
16 will try and get over it this way: There is a  
17 Twin City Social Club, previously in Kitchener,  
18 which had two addresses in New Toronto, two  
19 different places in New Toronto. It was  
20 convicted. 199 7th Street, New Toronto, was  
21 convicted and there was a cancellation. Do  
22 you recall that at all?

23 A. No, I would have to see my file.

24 Q. Without going to the file.

25 A. I remember it was cancelled  
26 but I forget whether it was a branch in New  
27 Toronto.

28 Q. I am saying it is.

29 A. I would have to see my file, then.  
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1 Q. Were they ever given an  
2 opportunity to retain their charter by dis-  
3 continuing the branch?

4 A. No, I don't think so.

5 Q. They were never given that  
6 opportunity?

7 A. No. That was cancelled 1960, I  
8 think.

9 Q. Yes, January 11, 1960.

10 A. Yes.

11 Q. Then, going to the next one,  
12 Lakeview Athletic Club. That charter is for  
13 Toronto. It had a branch in Mimico, at Stanley  
14 Street and three people were convicted. You  
15 point out to Sol Gebirtig that this charter  
16 is for Toronto and not Mimico, and you  
17 cancelled the charter. In that instance I  
18 have noted, too, there was no opportunity to  
19 discontinue, you gave them no alternative,  
20 you cancelled the charter of the parent company  
21 and they were out.

22 A. That was cancelled in 1961 on  
23 the conviction.

24 Q. The conviction was July 5, 1960.  
25 That came into existence in August, 1932.

26 A. Yes, incorporated August, 1932.

27 Q. As I say, there was no opportunity  
28 for discontinuance in that case?

29 A. Well, the conviction - I am just  
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1 reading my name here - the conviction was  
2 for keeping a common betting house at 2016A  
3 Bathurst Street, Toronto, the club branch.

4 Q. Is not there a branch on Stanley  
5 Street, Mimico, too?

6 A. Lakeview could have been the  
7 original; that could have been the original.

8 Q. No, the charter is for Toronto.  
9 I live out in Mimico so I am very interested.

10 A. The Town of Mimico was the head  
11 office.

12 MR. WILSON: And/or elsewhere.

13 MR. LAWLER: Q. Is not there a letter  
14 of June 29th, 1961, from you, Mr. Gudney?  
15 I do not know to whom. I have a letter --

16 A. This was cancelled -- June  
17 29. There were three clubs. The police  
18 wrote in respect to three clubs, Lakeview,  
19 Ringside and Queen City. Now, this had  
20 been cancelled but, then, I dealt with Ringside  
21 and Queen City about June of 1961, I think.  
22 Unless that is the one.

23 Q. No. I have a note of June 29,  
24 1961, Mr. Gudney says, "Your charter is for  
25 Toronto; not in Mimico?"

26 A. June?

27 Q. June 29, 1961, in your file.

28 A. The charter had been cancelled  
29 at that time. The charter was cancelled.  
30







1 Q. April the 3th. Well, I will  
2 not labour it.

3 THE COMMISSIONER: What difference  
4 does it make?

5 A. I will try and find that later.

6 Q. No, not as far as I am concerned.

7 MR. LAWLER: I will take a look for  
8 it in the break.

9 If I may run over this: Mr. Estey has  
10 established the facts in most of them. I  
11 see the Central Athletic Club and Finnish  
12 Athletic Association of Timmins --

13 MR. WILSON: Not so fast.

14 THE COMMISSIONER: Is not this argument?

15 MR. LAWLER: I think perhaps it is.

16 THE COMMISSIONER: I think definitely  
17 it is.

18 MR. LAWLER: I wanted it established  
19 in evidence, too, my lord.

20 All right, my lord.

21 There are a number of clubs Mr. Estey  
22 mentioned yesterday. The Humber Bay Community  
23 Association seemed a clear case. I do not  
24 want to go into it.

25 THE COMMISSIONER: That is argument. If  
26 you have any evidence, any factual evidence  
27 with respect to these you are perfectly at  
28 liberty to get it, of course; but do not confuse  
29 argument with evidence.  
30







1 MR. LAWLOR: I agree with your lordship  
2 on that.

3 The next point I wish to make. We  
4 have finished the trafficking, as far as I  
5 am concerned.

6 Q. Would you get the Yacht Club of  
7 Port Credit file?

8 THE COMMISSIONER: Under what heading  
9 will this be?

10 C/4  
11 MR. LAWLOR: Well, under the heading of  
12 this: In previous cases convictions fall --  
13 liquor offences have been either sufficient  
14 grounds for refusing a charter or for cancelling  
15 a charter once it had been received. In the  
16 case of the Yacht Club of Port Credit there  
17 is conclusive evidence on file that the  
18 president of the club had been convicted of  
19 a liquor offence before the charter was issued.  
20 The application was submitted to Mr. Cudney  
21 and he refused it. It was re-submitted --  
22 The police reports were with respect to liquor  
23 being on the premises, and that was the basic  
24 objection. It was not strong, my lord.  
25 Nevertheless, it was refused. Then, there  
26 was a subsequent application, and so I will  
27 not disappoint my friend, the applications  
28 were made by Messrs. Pallett and Pallett,  
29 solicitors. At a subsequent date they re-  
30 applied and, at that time, it was granted, in





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1 the face of the fact that in the meantime  
2 the president had been convicted of a liquor  
3 offence on the club premises. It goes beyond  
4 that.

5 Q. My question to you, Mr. Cudney,  
6 is: You do not have, at least I cannot see  
7 anything in the file indicating, as to why you  
8 reconsidered your opinion and what went on there  
9 with respect to the reasons why that club was  
10 granted its letters patent subsequent to that  
11 objection? That is a resume. Will you  
12 start at the end and can you tell me why, or  
13 do you remember why, you granted those letters  
14 patent?

15 A. I turned down the application, I  
16 think it was, the beginning of 1960, and I  
17 had two more requests during the year that it  
18 be granted, and I had turned it down each time.  
19 Then, toward the end of the year, this was  
20 shortly before I left, the matter was discussed  
21 with my Minister.

22 Q. Have you a memo on that?

23 A. No, I haven't.

24 Q. You remember that?

25 A. I remember that, yes.

26 Q. What was the nature of the discussion?

27 A. Well, the discussion, as I recall,  
28 was that there would be different applicants  
29 and the name would be slightly changed. The  
30

[illegible]





1 application came in toward the end of December  
2 of 1960 and I had asked, I see by a memo here,  
3 two officials in the Department to advise  
4 when the application came in. That was  
5 following discussions with the Minister and,  
6 then, I was away and it was granted later in  
7 January, 1961.

8 Q. It was granted while you were away?

9 A. It was dated after -- I don't  
10 know it was dated after. It was sent out --  
11 It was dated after I was away.

12 Q. There is no question, there was  
13 a liquor conviction?

14 A. I don't know whether there was  
15 a conviction or not. I know there were liquor  
16 charges laid. Oh, yes.

17 Q. August the 4th, 1959?

18 A. Yes, there was a conviction.  
19 That is right. At least, by a newspaper  
20 account I have here.

21 Q. You compare that situation with  
22 the Portuguese-Canadian Association on page 59  
23 of the brief and at page 12952 of your evidence,  
24 you turned that club down on the basis of  
25 a liquor -- on the premises. So my note says.

26 A. That is the Portuguese-Canadian?

27 Q. Yes.

28 A. That was cancelled because of  
29 a liquor conviction.  
30



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2. The second part of the report deals with the results of the work of the Commission in the various fields of activity.

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1 Q. Yes. That is as much as I want  
2 with that one.

3 The next one I wish to discuss is the  
4 Leamington Roma Club. I think it is fairly  
5 well set out at H 28 but I think you had  
6 better get the file.

7 THE COMMISSIONER: Just before you leave  
8 the Portuguese-Canadian and the Yacht Club  
9 respectively, there may have been a conviction  
10 of the man who became president of the Yacht  
11 Club prior to incorporation -- That is what  
12 you say?

13 MR. LAWLER: That is right.

14 THE COMMISSIONER: That is entirely  
15 different from the situation that prevailed  
16 at the Portuguese-Canadian Association. There  
17 there was a police report, as I recall it, and  
18 I am certain I am right, there was the sale  
19 of liquor on the premises with the approval  
20 of the club. They found cases of beer all  
21 over the place.

22 MR. LAWLER: Yes, you are right, Mr.  
23 Commissioner. The only parallel here is  
24 the various ways, that I consider a little  
25 inconsistent, in which the Department approaches  
26 liquor offences or suspicion of liquor. In  
27 one case, admittedly, it was before and in  
28 the second case your lordship mentioned it was  
29 subsequent to incorporation and prior to  
30





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cancellation, but it was a ground for can-  
cancellation; and as my friend Mr. Eatey has brought  
to your attention, the same type of discretion.

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THE COMMISSIONER: All I am pointing  
out, Mr. Lawlor, is that in the case of the  
Portuguese club, in substance, it was a sale by  
the club.

9  
MR. LAWLOR: I see.

10  
11  
THE COMMISSIONER: A sale with the approval  
of the club.

12  
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MR. LAWLOR: If the president of the  
club is convicted of selling liquor on the  
club premises I think we could say the club  
was cognizant. It is a moot point, my lord.  
I do not think we should labour it.

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Q. I want to know the reason why  
the Leamington Home Club was refused its  
application? On page 28 of Appendix H the  
Ontario Provincial Police -- its objection  
would be that one of the applicants would not  
be beyond committing an illegal transaction  
if he could succeed. In the file there is  
some evidence that this individual, whose name  
is not important, --

26  
THE COMMISSIONER: Appendix H, you say?

27  
MR. LAWLOR: Appendix H, page 28, my lord.

28  
29  
30  
In the file, Mr. Commissioner, I see  
there is some evidence this individual was  
contravening custom regulations between Windsor







1 and Detroit.

2 MR. WILSON: My friend says they were  
3 not and why were they refused?

4 THE COMMISSIONER: The first application  
5 was refused.

6 A. What was the information, Mr.  
7 Lawlor, you wanted?

8 MR. LAWLOR: Q. I wanted to know: On  
9 what basis did you refuse the first application,  
10 the basis of that? What fact, that the  
11 applicant was simply -- he had not committed  
12 any offence but it simply says, "would not be  
13 beyond committing illegal transactions if he  
14 thought he could succeed".

15 A. Are you referring now to the  
16 Provincial Police report?

17 Q. Yes, the Provincial Police report.  
18 At the bottom of page 2, I think.

19 A. Well, they refer to one of the  
20 applicants, that he has at different times in  
21 the past, but not always, has been on the  
22 fringe in investigations, he is a free spender  
23 and from information received he would not be  
24 beyond committing illegal transactions if he  
25 thought he could succeed. The rest of the  
26 report, I cannot see, sir, is a resume of the  
27 facts. The Provincial Police conclude that  
28 application should not be granted. I take it  
29 it was on that basis.  
30



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1 Q. I see.

2 A. That I turned it down. There is  
3 a letter from the Lexington police.

4 Q. There is no objection in that  
5 letter.

6 A. No. They say:

7 " I do not think a charter  
8 "should be granted to the club  
9 "unless the various positions of  
10 "the club are held by Canadian  
11 "citizens."

12 Q. That is the summary. Then, they  
13 mentioned that the applicants -- Well, I take  
14 it that is no objection. The applicants, I  
15 see, are all from Lexington and there is nothing  
16 in their letter to indicate that the applicants  
17 will not be Canadian citizens.

18 Just two or three more questions, now,  
19 Mr. Cadney. On the Centre Road Vets Club,  
20 which I, too, approach with trepidation, you  
21 said at page 12904 of your evidence, that, as  
22 a result of certain questions asked by Mr.  
23 Commissioner, that you had no illusions about  
24 the good faith of this club at the time that  
25 the Provincial charter was granted.

26 A. No, I didn't. That is correct.

27 Q. Then, I ask you a question which  
28 I asked Mr. Common: Did you keep these -- These  
29 were extraordinary situations, weren't they, these  
30







1 three clubs?

2 A. Yes, they were. We haven't ever  
3 had a situation like it before.

4 Q. Or since?

5 A. Or since.

6 Q. In any event, would not these  
7 clubs, and particularly the Centre Road, be in  
8 your mind during the summer, after July, and  
9 into the fall, as to whether or not, having  
10 been granted this extraordinary privilege, it  
11 was carrying it -- It was, particularly when  
12 you had severe doubts as to the bona fides of  
13 the people involved, was this in your mind at  
14 all?

15 A. Well, I suppose it was but, after  
16 all, our Department, the Provincial Secretary's  
17 Department, is not a policing department. The  
18 authorities knew as to the issuance of these  
19 charters and the provisions that were in them  
20 and it was for them to look into it and, if  
21 there was anything wrong, bring it to our  
22 attention.

23 Q. In any event, you would not give  
24 any type of memo to the police and ask them to  
25 make any special surveillance of the property  
26 to see whether the charter provisions were  
27 being carried out?

28 A. Well, I don't think that was  
29 necessary. We advised the Attorney-General's  
30



1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It contains a report on the state of the Union and the progress of the war.

2. The second part is a report from the Secretary of the Treasury, dated January 3, 1862. It contains a report on the state of the Treasury and the progress of the war.

3. The third part is a report from the Secretary of the Interior, dated January 3, 1862. It contains a report on the state of the Interior and the progress of the war.

4. The fourth part is a report from the Secretary of the Navy, dated January 3, 1862. It contains a report on the state of the Navy and the progress of the war.

5. The fifth part is a report from the Secretary of the War, dated January 3, 1862. It contains a report on the state of the War and the progress of the war.

6. The sixth part is a report from the Secretary of the State, dated January 3, 1862. It contains a report on the state of the State and the progress of the war.

7. The seventh part is a report from the Secretary of the War, dated January 3, 1862. It contains a report on the state of the War and the progress of the war.

8. The eighth part is a report from the Secretary of the State, dated January 3, 1862. It contains a report on the state of the State and the progress of the war.

9. The ninth part is a report from the Secretary of the War, dated January 3, 1862. It contains a report on the state of the War and the progress of the war.

10. The tenth part is a report from the Secretary of the State, dated January 3, 1862. It contains a report on the state of the State and the progress of the war.





1 Department. The Provincial Police is a branch  
2 of that Department. The Main Office knew  
3 about the issuance of the charters and the  
4 basis upon which they were granted, on good  
5 behaviour, and we were waiting to see what  
6 happened.

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1 Q. My problem is that this problem  
2 of good behaviour -- in other words, you are  
3 saying, insofar as you are concerned, you felt  
4 that good behaviour business was somebody  
5 else's responsibility?

6 A. Well, they alleged that they  
7 were innocent and the charters were given --  
8 well, to bring them under Provincial control,  
9 and after that the charter, to my mind, was  
10 issued to them and to everybody else providing  
11 they were of good behaviour and once they  
12 stepped over the line the charter was cancelled.

13 Q. But nothing was done on your  
14 initiative to check on them?

15 A. No.

16 THE COMMISSIONER: The jurisdiction of  
17 the Provincial Secretary's Department does not  
18 include a checking department.

19 MR. LAWLOR: I know that, and one of my  
20 submissions is maybe it should be.

21 Q. In Appendix K there is a considerable  
22 list of types of clubs, and the police indicate  
23 that four or five or even six clubs were tied  
24 together on the same premises in the City of  
25 Toronto, and there were interlocking directorates  
26 and this kind of thing. Has any type of  
27 report been asked from anybody outside of  
28 Toronto of similar circumstances in other cities?

29 A. It was asked for by the Provincial  
30



Q. My question is that this problem of good behavior -- in other words, you are saying, insofar as you are concerned, you felt that good behavior was a problem.

A. Well, they alleged that they were innocent and the charges were given -- well, in fact, they were innocent and after that the charges, to my mind, was issued to them and to everybody else providing they were of good behavior and once they stepped over the line the charter was cancelled.

Q. But nothing was done on your initiative to check on them?

A. No.

THE COMMISSIONER: The jurisdiction of the Provincial Secretary's Department does not include a checking department.

MR. JARVIS: I know that, and one of my commissions is maybe it should be.

Q. In Appendix K there is a consideration of types of clubs, and the police indicate that four or five or even six clubs were tied together on the same premises in the City of Toronto, and there were interesting observations and some kind of thing. Has any type of report been asked from anybody outside of Toronto of similar circumstances in other cities?

A. It was asked for by the Provincial



1 Police.

2 Q. Yes?

3 A. Because the Provincial Police  
4 cover the anti-gambling outside of Toronto.

5 Q. Well, I may be behind on this.  
6 Is there such a report in our possession?

7 THE COMMISSIONER: No.

8 THE WITNESS: There was a report.

9 THE COMMISSIONER: Q. Not of inter-  
10 looking?

11 A. Not interlocking, no. Well,  
12 this report by way of K, I telephoned Chief  
13 Mackey and asked him for a list of the clubs  
14 that the Metropolitan Police had complained about.  
15 At that time it was years and it was maybe  
16 ten years, and it goes back to the early view.  
17 We could have mucked about. They were mixed  
18 up in thousands of pages, and this list of  
19 the complaints made to the Department early,  
20 in respect to clubs over the last ten years,  
21 in fact of any club that we had jurisdiction  
22 over, it will show every one has been cancelled,  
23 or if it has not been cancelled, cancellation  
24 letters have been sent, and the reason it has  
25 been held up was because of court proceedings.  
26

27 THE COMMISSIONER: Or this Commission.  
28 Either court proceedings or this Commission.

29 THE WITNESS: Yes.

30 MR. LAWLER: Q. In the heading of "Criminal



1773





1       Records" as a ground for refusal for in-  
2       corporation, I believe you said in your evidence  
3       that you have refused a share capital corporation  
4       on moral grounds only at one time or in one  
5       instance on criminal convictions. Do you  
6       recall that?

7       A.     Yes.    When you say "moral  
8       grounds" in the sense someone who had a whole  
9       series of convictions and they are incorporating  
10      limited liability companies one right after the  
11      other.   That is what you mean?

12      Q.     Yes.    Those are the grounds we  
13      set up, as I recall.

14      A.     Yes.

15      Q.     There are instances which have  
16      not been put as just yet, where you refused  
17      in some cases to grant incorporation if ~~for~~ one  
18      of the applicants had a criminal record. I  
19      refer specifically to that of the Martindale  
20      Social and Athletic Club, Appendix I, page 76.  
21      Also the 20th Century (Service) Club, also  
22      Appendix I, on page 111.    Then there was  
23      the Walker Homesites Athletic Club, the same  
24      appendix, page 115.    And in the case we  
25      just discussed of the Leominster Home Club.  
26      They wouldn't be all had illicit transactions.  
27      And also in the case of the Eratere Benevolent  
28      Association.

29      THE COMMISSIONER:   I am going to lose  
30







1 track of your question.

2 MR. LAWSON: So am I.

3 Q. That is the end of the question.  
4 The question terminates. This is correct?

5 A. Yes, we have turned down  
6 applications because the people associated with  
7 the club had criminal records. In the case  
8 of the Kratero, as suggested in H, on page 10.  
9 The reason in the Toronto Police report was  
10 dated June 3rd, 1960, and after referring to  
11 a conviction of one member for a breach of  
12 the Excise Act and the zoning regulations of  
13 the area proposed concluded:  
14

15 "The applicants appear to have no  
16 "definite purpose in mind in  
17 "regard to the use of a charter."  
18 etcetera. The application was refused by the  
19 Department.

20 Q. Do you recall that?

21 A. Yes.

22 Q. I think the rest is argument.  
23 I have only one final question. I have grave  
24 difficulty in knowing how quite to put it,  
25 and it concerns the approaches to the nature  
26 of black lists. I am enquiring, Mr. Cadney,  
27 as to the departmental policy, perhaps, in  
28 connection with black lists. I am suggesting  
29 it might have been a wise policy during the  
30 50's that when a particular individual or a







1 particular address became suspect as a result  
2 of conviction, say, against that person or  
3 address, that this might have been noted and  
4 that when a subsequent charter comes in to the  
5 Department that either this individual, as  
6 an applicant or perhaps even as a member, if  
7 you get that far -- but when an applicant or  
8 this address, say the second time this address ,  
9 which had already had a conviction against it,  
10 that you in your Department would have  
11 cognizance of the presence or the possibility  
12 or the suspicion that this may not be a  
13 legitimate social club incorporation.

14 Was that ever thought about or talked  
15 about in the Department?

16 A. It might have been. I can't  
17 recall exactly, Mr. Lawler, but I will say  
18 this application would be referred to the  
19 police, in any event, and they have these  
20 records in their department and they would catch  
21 it. We are going to refer the application  
22 to the police anyway. They have all those  
23 records. That is their business.

24 Q. That is what I thought the  
25 answer would be.

26 A. There is no point in keeping a  
27 list in two places.

28 Q. There is not?

29 A. I would not think so, no. I mean,  
30



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1 after all, we act on the recommendation of  
2 the police and their set-up of record systems,  
3 and so on. They are going to advise us  
4 whether or not -- what the situation is in  
5 respect to this club.

6 Q. All right. Well, there may be  
7 just one other thing.

8 THE COMMISSIONER: I thought that was  
9 your final one.

10 MR. LAWLER: All right, I will leave it.

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16 EXAMINED BY MR. WILSON:

17 Q. Now, the brief that has been  
18 filed on behalf of your Department and the  
19 appendices thereto, are all based on incorporations  
20 and actions that have occurred since July 1st,  
21 1950?

22 A. Yes, all incorporations since  
23 July 1st, 1950. The cancellations that  
24 are covered by the brief, some of those and  
25 most of those incorporations go back to before  
26 1950.

27 Q. Yes. Now, I have made a list  
28 of the clubs mentioned by Mr. Hestey, which  
29 totals 33. I notice that the earliest one  
30 in point of time, the date of the letters patent





1 was 1915 and of this group, 23 were incorporated  
2 since July 1st, 1950, and 10 after that date.

3 You can take my word for it.

4 A. Yes.

5 Q. And you can check that.

6 A. Yes.

7 Q. Now, when we cover a period back  
8 to 1915, we are covering, I believe, based on  
9 the evidence, approximately 3,000 social clubs  
10 that have been granted charters?

11 A. That is true, yes.

12 Q. And prior to your cross-examination  
13 the counsel for the Liberal Party asked the  
14 Commissioner to direct you to make available,  
15 or your Minister to make available, the  
16 files of some 113 clubs. 113 clubs.

17 A. 113, yes.

18 Q. And I understand before you were  
19 cross-examined, a staff of some six or seven  
20 spent how many days in your Department reading  
21 over these 113 files?

22 A. I think it was about a week.

23 Q. Yes?

24 A. About a week.

25 Q. And they were allowed to read  
26 not merely the public file but the confidential  
27 "O" file?

28 A. All information that we possibly  
29 had. All information we had in respect to  
30







1 these clubs.

2 Q. And these were the only files  
3 which they asked to read?

4 A. Yes.

5 Q. Now, dealing with this group of  
6 33 which were referred to in evidence here, I  
7 find that 24 have been cancelled and 9 are  
8 continuing. The charters are still in force?

9 A. That is true, yes.

10 Q. And of the 9, I think you will  
11 possibly agree with me, have been broken down  
12 in this fashion: 3, there are proceedings  
13 pending for cancellation, namely, The Atlas,  
14 Arlington and the Parthenon?

15 A. Yes. These three proceedings  
16 are pending for hearing leading up to cancellation.

17 Q. There are 2 which are not operating,  
18 the Italian-Niagara Frontier Club and the  
19 Sun Sun Club, because both those clubs have  
20 not been able to obtain premises which meet  
21 with the approval of the police?

22 A. Yes. I understand from the  
23 police that neither club is operating.

24 Q. That the Niagara Club is operating?

25 A. That neither club is.

26 Q. Is it correct they are both trying  
27 to get premises that the police consider  
28 satisfactory?

29 A. Well, the Niagara Club has been  
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1       trying to get premises. The Sun Sun, they  
2       tried once a year or a couple of years ago and  
3       they were turned down. You could say they  
4       are both trying to, yes.

5           Q.       Now, that leaves 4 out of 9 which  
6       are still operating and they are the Toronto  
7       Chinese Athletic Club -- the Anti-Communist  
8       Club of the Toronto Chinese Athletic.

9           A.       I don't know whether they are  
10      operating or not.

11          Q.       Well, since the supplementary  
12      letters patent were issued to those two clubs,  
13      has your Department had any complaints?

14          A.       No, no. There have been no  
15      complaints since that time.

16          Q.       And the other two are the Tisdale  
17      and the Apter, and in either of those cases  
18      have you any complaints?

19          A.       There have been no complaints  
20      in respect to the Apter. I don't recall any  
21      complaints in respect to the Tisdale. I am  
22      quite sure there have not been any.

23          Q.       As of the date Mr. Wintermeyer  
24      made his speech, November 29th, 1961, what  
25      outstanding complaints from the police chief  
26      in respect to any chartered social clubs, have  
27      you had?

28          A.       Well, from my records, Mr. Wilson --

29      THE COMMISSIONER: What do you mean  
30







1 "outstanding complaints"?

2 MR. WILSON: Any complaints that had  
3 not been dealt with by the Department.

4 THE WITNESS: Well, from my records, Mr.  
5 Wilson, first of all I said 11, but when you  
6 say "outstanding", that hadn't been dealt with,  
7 that 11 included the Sun Sun and the Somerset,  
8 that had been dealt with in the sense they  
9 hadn't been permitted to move to new premises  
10 but the charter had not been cancelled. They  
11 had been dealt with in that sense. But apart  
12 from those two, any therefore 9 others that  
13 were received at that time, police complaints,  
14 and were being dealt with. All 9. I had  
15 sent cancellation letters out to the clubs,  
16 to all 9.

17 MR. WILSON: Q. That is prior to the  
18 speech having been made?

19 A. Yes, that is prior to the speech  
20 having been made, and of those 9, some were  
21 being held up because of court proceedings,  
22 such as the Bellevue and others, hearings had  
23 been held and we were awaiting the transcript  
24 or I had received the transcript and had  
25 forwarded four on November 24th to the Minister.  
26 On the others, hearings were pending.

27 In other words, when you say, Mr. Wilson,  
28 this, that the police had complained and that  
29 hadn't been dealt with. First of all, I said 11.  
30







1 Two, the Sun Sun and the Somerset had been  
2 dealt with in the sense that they had been  
3 refused a move, but the charters not cancelled.  
4 And that leaves 9 and of those 9, cancellation  
5 letters had been sent out to all and they  
6 were in different ---

7 Q. Different stages of being processed?

8 A. Yes.

9 Q. Now, there has been some reference  
10 in the evidence to some possible sales of  
11 charters, and I think the earliest in point  
12 of time was the anonymous letter in 1958,  
13 in the case of the Queen City.

14 A. Oh, that was a note.

15 Q. An anonymous note, not a letter.

16 A. I think that was a note.

17 MR. ESTEY: It was not anonymous.

18 THE COMMISSIONER: See Mr. Keyfetz.

19 THE WITNESS: That is the one, that was  
20 a scare.

21 MR. WILSON: Q. At what stage did the  
22 Department consider that the possible sales of  
23 these charters was a problem which should be  
24 dealt with?

25 A. Well, over the years, when the  
26 policy started, from 1950 to 1960, the odd  
27 police officer in the department had mentioned --

28 THE COMMISSIONER: Q. The odd what?

29 A. Police officer in my office, rather.  
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1 Q. Who had come to your office?

2 A. Who had come to my office on  
3 some other matter, but not normally on that  
4 matter, but incidentally in conversation would  
5 mention it. The odd police officer. It  
6 was formally repeated when I spoke to Chief  
7 Maskey in January, 1960. He was in my office  
8 regarding the complaint of the clubs moving  
9 about with the old charters, and I made a  
10 recommendation, after discussing it with the  
11 Chief, to freeze them. That no club could --  
12 legislation, that no club could move without  
13 permission of the Provincial Secretary.

14 MR. WILSON: Q. Well, was that the first  
15 time the police had brought that matter to  
16 your attention?

17 A. Formally to my attention, yes.  
18 The odd officer had mentioned it, incidentally,  
19 over the years.

20 Q. And you promptly took action to  
21 deal with it?

22 A. Yes. As a matter of fact, the  
23 legislation became law within three months or  
24 a little over three months after the conversation.

25 Q. Now, you have served under both  
26 Conservative and Liberal Ministers?

27 A. Yes, that is true.

28 Q. And regardless of political  
29 complexion, have any of those Ministers in any  
30



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1 way endeavoured -- in any way interfered with  
2 the carrying out by you of your duties?

3 A. Well, if, by "interference", it  
4 is a kind of coercion, perhaps, I could say  
5 there has never been any coercion whatsoever.  
6 There has never been any coercion whatsoever  
7 either from Ministers or any other members of  
8 any party.

9 Q. I am speaking now for the moment  
10 of Ministers.

11 A. Ministers, yes.

12 Q. And what about the former Prime  
13 Minister, Mr. Frost?

14 A. There has never been any interference  
15 or coercion.

16 Q. Now in your capacity as Deputy  
17 Provincial Secretary I take it, you receive  
18 representations from Members of the Legislature,  
19 from all political parties?

20 A. That is true. They will see me  
21 in respect to some matters that a constituent  
22 would speak to them about, to make an enquiry  
23 to see what the matter is about. But as I  
24 say, if I may be permitted to say, my lord,  
25 as I said the other day, I have never regarded  
26 that as political interference or pressure,  
27 because they know I wouldn't be influenced  
28 by politics. This comment -- I submit this,  
29 that no member of any political party -- I mean,  
30







1 it is part of his job or duty to take up a  
2 matter a constituent wishes him to, or to make  
3 some enquiry about it.

4 Q. Probably more so if he happens  
5 to be a lawyer?

6 A. That is true, yes.

7 Q. And has there ever been any  
8 attempt to coerce you in regard you to your  
9 duties, by any of those representatives of any  
10 of those parties?

11 A. By no party has there been any  
12 attempt at coercion.

13 MR. WILSON: I think that is all. That  
14 is all, thank you.

15 THE COMMISSIONER: Yes.

16 MR. ESTEY: Mr. Commissioner, while Mr.  
17 Gudney is still in the box, the Commission  
18 counsel has raised a point rather neatly, that  
19 by reason of the fact that I did not deal with  
20 119 or 140 clubs, that I found the rest of  
21 these clubs to be clean. What I did, and I  
22 would like to assert now, perhaps subject to  
23 your lordship's direction, and leave it at  
24 that. I elected on various readings, as  
25 indicated throughout the inquiry, those clubs  
26 which I thought would assist the Commissioner  
27 in deciding point 1 in point of reference  
28 by this Commission. By reason of the fact  
29 that I didn't bore the Commissioner unduly by  
30







1 repeating all the clubs and rather confined  
2 my examination to 33, I felt I had imposed on  
3 your lordship's time sufficiently on the  
4 point I was making. I don't want you, Mr.  
5 Commissioner, or anyone else, including Mr.  
6 Wilson, to take it that I didn't have a  
7 greater number of clubs which illustrated this.  
8 There are more clubs, and if the Royal Commission  
9 so requires, I will be glad to go through  
10 Volume 2 of my notes. We have only covered  
11 Volume 1. It put us in a rather odd position.  
12 It is counsel's right here to dig out the  
13 facts and circumstances which will assist  
14 your lordship in investigating the field and  
15 to help form a conclusion as to what, if anything,  
16 should be done, and that, we have tried to do.  
17 I want to be very clear that if I am wrong  
18 in my analysis of our role and in the  
19 presentation which I have tried to make, I can't  
20 say I would be glad, because I find it a very  
21 boring proceeding, but I would proceed to  
22 examine on the balance of the files which I  
23 wrote.

24  
25 MR. WILSON: I think my friend, what he  
26 is saying now, is more for argument than  
27 anything else. Certainly he has had the  
28 opportunity to examine any files pursuant to  
29 your direction and he has elected to examine  
30 113 and he has elected to deal with certain of







1       these files here.       Now I understand ---

2               THE COMMISSIONER: Are you through with  
3 this witness?

4               MR. WILSON: This witness passed me a  
5 note. There is something further he wants to  
6 say on one point.

7               THE COMMISSIONER: All right.

8               THE WITNESS: Well, I just wanted to say,  
9 my lord, the former Ministers who have not been  
10 here to speak ---

11              THE COMMISSIONER: Q. Speak a little louder.

12              A. I want to say, my lord, the former  
13 Ministers who have not been here to speak for  
14 themselves, and Mr. Frost, who has been mentioned,  
15 I have the highest respect for all of them  
16 and for their sincerity and I have the utmost  
17 confidence in their office, and it was a  
18 pleasure to serve with them.

19              THE COMMISSIONER: Now, is everybody  
20 through with this witness?

21              MR. WILSON: I beg your pardon?

22              THE COMMISSIONER: Is everybody through  
23 with this witness?

24              MR. WILSON: I think so, Mr. Commissioner.

25              THE COMMISSIONER: All right.

26  
27 ---The witness withdrew.  
28  
29  
30







1  
2 MR. WILSON: There is one very short  
3 witness we have. I don't know whether you  
4 want to take him now.

5 THE COMMISSIONER: That is Apter?

6 MR. WILSON: Yes. Mr. Hall is appearing  
7 as solicitor.

8 THE COMMISSIONER: He will be only two  
9 or three minutes, I take it?

10 MR. WILSON: As far as I am concerned,  
11 he will be. Mr. R. R. Hall is appearing.

12 THE COMMISSIONER: What does the R. stand  
13 for, Mr. Hall?

14 MR. HALL: Robert, my lord.

15 THE COMMISSIONER: What is the witness's  
16 name?

17 MR. WILSON: San Saltemo.

18

19

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1  
2 SAN SALTZMAN, sworn

3 EXAMINED BY MR. WILSON:

4  
5 Q. You are the treasurer of the Apter  
6 Friendly Society?

7 A. I am, and I have been treasurer  
8 for the last four years. Previous to that  
9 an executive member for four years.

10 Q. What are the aims and objects  
11 of the Society?

12 A. The aims and objects of the Apter  
13 Friendly Society -- First of all, I want to  
14 explain the name Apter. Apter is a short  
15 form of a town in Poland which we originally  
16 come from. Since immigration started, people  
17 started to come over to Canada and a new  
18 language and everything and we wanted to  
19 promote friendship and take them in and help  
20 out each other. It is a non-political  
21 organization.

22 Q. How many members are there in  
23 your organization?

24 A. We have approximately 135 members.

25 Q. Who comprise this membership?

26 A. We have members from all different  
27 walks of life. We have workers, professional  
28 men and all different kinds of people from  
29 the City of Toronto.

30 THE COMMISSIONER: Q. They all come from

[illegible]





1 this particular area in Poland?

2 A. They are all Apter or married  
3 to Apter.

4 Q. They are all what?

5 A. For instance, if I have a daughter --

6 Q. Inter-married?

7 A. Inter-married.

8 MR. WILSON: Q. Why did your organization  
9 apply for a charter in September, 1959?

10 A. We were advised by our solicitor  
11 that it was needed when we held property.  
12 We have a burial ground, cemetery. So each  
13 member who belongs to this organization has  
14 a plot, and we got it in trustee's name, but  
15 as it happened, one trustee died all of a  
16 sudden and the other trustee is between the  
17 70 and 80's. So we have always trouble  
18 with these trustees, so the solicitor advised  
19 us we should take out a charter.  
20

21 Q. Are there any other memberships  
22 in association with your organization?

23 A. Yes, we have four groups in  
24 that association. We have a synagogue, a  
25 free loan association, a ladies auxiliary  
26 and the Apter Friendly Society.

27 Q. Have you had any complaints of  
28 your organization's operations before or after  
29 the issue of the charter?

30 A. Yes, as a matter of fact I heard







1 two complaints we had in the organisation.  
2 One was the complaint that there was a lot of  
3 flies out by the garbage can and the other  
4 complaint, it is a three-story building and  
5 had only one fire extinguisher.

6 Q. Was there any payment made to  
7 anyone, beyond the normal legal fees, in order  
8 to enable your club to get this charter?

9 A. We don't run a big organisation  
10 so I, as treasurer, must sign every cheque,  
11 and I can vouch and I swear on this stand that  
12 there has been nothing issued except for the  
13 legal fees to the solicitor.

14 Q. To your knowledge, has any  
15 gambling taken place or is it permitted on  
16 the club's premises, 215 Beverley Street,  
17 Toronto?

18 A. First of all, it is not permitted  
19 in our constitution to have any gambling. And  
20 second of all, we have only a meeting once in  
21 two weeks, and this is Sunday from one to  
22 three o'clock, otherwise except Saturday, which  
23 we go to worship there in the synagogue  
24 which is located in the building. The only  
25 person there is the superintendent, and if  
26 anybody wants to go in, he has to ring the  
27 bell to open the door.

28 MR. WILSON: That is all, thank you.

29 THE COMMISSIONER: Any questions?  
30







1 MR. HALL: My lord, we appreciate the  
2 opportunity of making the submission for the  
3 simple reason, I think this is quite obvious,  
4 that a Minister of the Crown made statements  
5 which reflected on Mr. Grossman, who is a  
6 member of this Society, and its executive have  
7 been badly maligned in the newspaper reports  
8 which ---

9 THE COMMISSIONER: Do you want to ask  
10 this witness any questions?

11 MR. HALL: No, I am sorry.

12 THE COMMISSIONER: Just reserve your  
13 comment till we see if anyone wants to ask  
14 any questions.

15 MR. ESTEY: I have just one or two.

16  
17  
18  
19 EXAMINED BY MR. ESTEY:

20  
21 Q. I am only interested in a limited  
22 phase of this matter. Did you have in your  
23 Society at one time, all or any of the  
24 following persons as members? John Cowitz  
25 and Alex Cowitz?

26 THE COMMISSIONER: Yes, who else?

27 MR. ESTEY: John, Alex and Mayer Cowitz.  
28 Louis Goodman and Sam Goodman.

29 Q. Were any of those people members?

30 A. I believe from the Cowitz. I



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1 believe there are two who were members in  
2 the Apter Friendly Society. But the other  
3 ones, they don't sound familiar.

4 Q. You don't remember those names?

5 A. No, I can't recall it. We have  
6 a Goodman but it is a different Goodman.

7 Q. H.M.?

8 A. I believe so. From Newmarket.

9 Q. Well, didn't you apply for  
10 incorporation and have the application refused,  
11 and then you amended the application to change  
12 some names?

13 A. I don't recall that.

14 Q. You don't remember that?

15 A. No.

16 Q. You don't remember the names were  
17 changed because some of the applicants, who  
18 were members of your Society, had records for  
19 gambling?

20 A. Well, since I am only in this  
21 country sixteen years, I don't know what the  
22 applicants did before.

23 Q. I know. I am not suggesting you  
24 are in any way responsible. I just want you  
25 to answer the questions.

26 A. Yes. I can only say that as  
27 far as the Apter Friendly Society is concerned,  
28 there is no gambling whatsoever going on on  
29 the premises.  
30







1 Q. I understand that. You are not  
2 on trial, nor is your club on trial.

3 A. I realize this.

4 Q. Didn't you have to put some members  
5 out of your Society because they were gamblers?  
6 Didn't you do so?

7 A. In private life, we don't inter-  
8 fere. We are a non-political organization.  
9 The only thing, if a member pays up his dues,  
10 which is very nominal, he is entitled to  
11 five doctors' bills a year. He pays \$15.00  
12 and is entitled to five doctors' bills, which  
13 the Society pays back \$15.00. Only carrying  
14 charges during the year to keep up the  
15 cemetery and the plot is a dollar a year.

16 Q. You are going to put medicare  
17 out of business if you keep on. All I ask  
18 you, did you put anybody out of your club  
19 because they were gamblers?

20 A. I can't tell you ---

21 Q. Weren't the Cowitzes put out  
22 because they were gamblers?

23 A. I don't even know if they were  
24 gamblers. If it is not for this business, I  
25 wouldn't even know what they are doing.

26 Q. You are not a gambler?

27 A. We are not interested in the  
28 professions, what they are being besides  
29 Friendly Society. When we get together once  
30







1 in two weeks, we say hello and find out if  
2 there is any sickness or person in need or a  
3 few dollars and we try to help him out. We  
4 helped the United Appeal and the Cancer Fund  
5 and all the other funds in the City of Toronto.

6 Q. You are very helpful. I would  
7 like you to help me. Just answer my question.  
8 Perhaps you think you have answered it. These  
9 Cowitzes were on the application?

10 A. Yes.

11 Q. And we are concerned with the  
12 first application. There was some objection,  
13 I understand, because of the Cowitzes, and  
14 they were withdrawn from the Society somehow.  
15 I want to know if you know that?

16 A. I can't say yes or no.

17 Q. All right. Now, one last question.  
18 Your Society has, for some time, owned land?

19 A. Yes.

20 Q. A cemetery?

21 A. Right.

22 Q. And apart altogether from your  
23 desire to incorporate for other reasons, to  
24 carry on your other activities, you really  
25 needed a charter because you wanted to hold  
26 that land?

27 A. That is right, in the charter  
28 club instead of trustees. Individuals.

29 Q. Your lawyer told you you could get  
30





1 a charter and it would be perpetual, the land  
2 could stay in the charter and the members could  
3 die and the land would stay in the charter?

4 A. Yes.

5 Q. And that is the reason you  
6 incorporated?

7 A. Right.

8  
9  
10  
11 EXAMINED BY MR. LAWSON:

12  
13 Q. Do you know the Cowitzes personally at  
14 all?

15 A. No.

16 MR. LAWSON: That is all.

17  
18  
19 EXAMINED BY MR. WILSON:

20  
21 Q. There is only one point. I  
22 think my friend, Mr. Fetez, inadvertently left  
23 the suggestion that the Cowitzes -- the  
24 applicant was one of the three Cowitzes  
25 named by him as having some previous record.  
26 The applicant was Isadore William Cowitz, and  
27 the people mentioned by the police were John,  
28 Alex and Neyer Cowitz. There is no  
29 suggestion any of the applicants had any record.  
30







D/5

1 MR. ESTEY: I think that is right.

2  
3 MR. HALL: Q. Mr. Rush, was he a  
4 member who was told to get out?

5 A. He was stricken from the records  
6 and disbarred from the Society.

7 THE COMMISSIONER: All right.

8 ---The witness withdrew.

9  
10  
11  
12 MR. HALL: My lord, we welcome this  
13 opportunity to make this submission, and it  
14 is quite obvious, although we appreciate that  
15 your lordship has no control over the items  
16 that appear in the daily newspapers, we  
17 feel and hope the gentlemen of the press will  
18 correct the impression they have given in  
19 the newspapers with material that has not  
20 only been scurrilous, but it is, with respect,  
21 highly libelous. I refer to the Toronto  
22 Telegram, Friday, October 12th, referring  
23 to Mr. Grossman, with this sub-headline, "Backed  
24 Bookie's Request".

25 Then in the Globe & Mail, first edition,  
26 Tuesday, October 16th, referring to the  
27 members of the Legislature, "The Cabinet  
28 Ministers, Mr. Lewis, Mr. Walker, Mr. Michener  
29 and Mr. Grossman, who were mentioned at the  
30 Commission in regard to gambling clubs disguised







1 as social clubs."

2 Then in the Toronto Star of October  
3 the 12th, "Three top Tories intervene to  
4 get charters for social clubs under police  
5 suspension."

6 My lord, this material which is not  
7 only false, but as I say, is libelous and  
8 we are contemplating libel actions against  
9 them for printing this material. There is  
10 no evidence at this Commission hearing that  
11 the applicants had any records against them.

12 At page 12601 it says:

13 "No file was found on any of  
14 "the applicants listed."

15 That is Provincial Constable Moore. Mr. Moore  
16 goes on to say:

17 "I see no reason why their  
18 "objects cannot be attained  
19 "with or without a charter."

20 Here we get into the realm of a police  
21 officer going around and commenting on police  
22 administration. Your lordship even questioned  
23 it at page 12604:

24 "No reason to object to charter."

25 And then at page 12588, Chief Mackey says:

26 "And having nothing definite I  
27 "am inclined to believe this will  
28 "be another gambling outlet in  
29 "the City of Toronto."







1 I think we can thank the Lord, in  
2 spite of the Police Chief and the policeman  
3 because they believe there is nothing definite  
4 but they are inclined to believe that charter  
5 should not be granted. I think that this  
6 charter, and I think Mr. Cadney and I think  
7 anybody here present would agree with the  
8 fact that there were no files found on the  
9 applicants, that nothing Mr. Greenman did  
10 for the constituent was wrong. I think the  
11 record should be clear, there is no evidence  
12 before this Commission hearing of backing  
13 bookies' requests or that this Apter Friendly  
14 Society is a social club masquerading as  
15 a gambling club. I think the record should  
16 be clear as to this point. I think the  
17 newspapers have printed these things in a  
18 manner to embarrass members of the Government  
19 and to embarrass my clients, the Apter Friendly  
20 Society.

21  
22 THE COMMISSIONER: We will adjourn  
23 until 2:15.

24 ---Whereupon at 1:15 p.m. further proceedings  
25 were then adjourned until 2:15 p.m.

26  
27  
28 (Page 13330 follows)  
29  
30







AA/RC/1

---Upon resuming at 2.50 p.m.

MR. WILSON: I will call the Honourable  
Mr. Frost.

LASLIE M. FROST, recalled,

HIS COMMISSIONER: You were sworn when you  
were here before, Mr. Frost?

A. That is right, sir.

EXAMINED BY MR. WILSON:

Q. There have been certain matters  
mentioned in evidence in the last few days  
where your name has come into the account  
dealing with the "paraphernalia clause" in  
the regulations, and its application to  
certain clubs. I understand that you  
had something to do with the original  
writing or establishment of that particular  
clause?

A. That is right, sir.

Q. And ---

A. As a matter of fact, I wrote the  
last sentence of it myself.

Q. You wrote the last sentence  
yourself?



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1 A. That is, the paraphernalia ---

2 Q. That is the paraphernalia portion  
3 of what is now Regulation 61, paragraph 23?

4 A. 23, that is right.

5 Q. Now, in Mr. Gudney's evidence where  
6 he was dealing with the Toronto Anti-Communist --  
7 or, the Toronto Chinese Anti-Communist Club,  
8 he referred to a memorandum given to him  
9 dated -- by Dr. Phillips, the then Provincial  
10 Secretary, dated May 20th, 1959, and this is  
11 the way it reads at page 12835, quote:

12 "A. May 20th? Dr. Phillips to  
13 "myself re charters for Chinese clubs:

14 "I was talking to the Honourable  
15 "Prime Minister late last night  
16 "and he advised me to delete on  
17 "the Chinese charters that there  
18 "be no gambling paraphernalia  
19 "on the premises." . . . "

20 And then it goes on to speaking about the  
21 Gordon Report. Now, what knowledge have you  
22 of any instructions as suggested that might  
23 have been given by you to Dr. Phillips?

24 A. Well, your lordship, first of all,  
25 in answer to Mr. Wilson's question may I say  
26 this, that this must have been complete and  
27 total misunderstanding on the part of Dr.  
28 Phillips. But, before answering that, might  
29 I give you the history and the background of  
30







1 this thing in a very few words?

2 THE COMMISSIONER: Yes.

3 MR. WILSON: Q. Yes, if you would?

4 A. I might say this, sir, I have a  
5 note here which I will be very glad to give  
6 you or file with the Commission if you like:  
7 It is a note which I made when I arrived in  
8 the city last night, and I did it to reduce  
9 down to understandable and measurable terms  
10 what took place, and I may say this, sir, <sup>if</sup> I  
11 make this statement, then, I am perfectly  
12 prepared to be cross-examined or confronted  
13 with it in any way.

14 I want to say this to you at the outset,  
15 and I may say I did tell Mr. Wilson this six  
16 months ago, and I also told you when I phoned  
17 you about six weeks ago about this item.

18 MR. WILSON: That is correct.

19 A. I want to say this, sir, first of  
20 all: I am very desirous of being helpful to  
21 this Commission and to yourself, sir, in  
22 connection with the problem you have. I may  
23 say this, sir, that I have never temporized  
24 with crime, big or little, in my day in public  
25 life or elsewhere.

26 Now, sir, I would be pleased to tell you  
27 -- now, I think, these items that I mention  
28 might very well be in camera but, on the other  
29 hand, I am perfectly prepared if you -- after  
30





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1 you have considered them -- want me to do it in  
2 open court or in open Commission, I would be  
3 perfectly prepared to do so.

4 First of all, I want to tell you that I  
5 created the Ontario Racing Commission with  
6 all its arbitrary boards, and I got the  
7 toughest guy around for that job, Tupper  
8 Bigelow, and I did it, and I can tell you  
9 some of the criticisms I had because I did  
10 do that, and I would be very delighted to  
11 do that, even though that is something that  
12 goes back a dozen years.

13 And, the second thing I would tell you  
14 is this, on the racing, on the harness racing,  
15 I did ban it. Probably it wouldn't have  
16 stood the test of the Courts, but it  
17 unfortunately never ran that test; why I  
18 out-regulated it and why I did do that,  
19 and I did that through all sorts of pressures  
20 from all sorts of people -- and I am not  
21 indicating any bad people at all -- there  
22 were many people, from farmers who were  
23 raising horses and from opposition members  
24 whom I was never really able to satisfy in  
25 any way whatsoever in my lifetime, but I  
26 may say these things involved millions of  
27 dollars -- and I am not talking about some  
28 of the things this Commission has been  
29 meeting -- I am talking about something that  
30



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AA/E 1 could run into millions of dollars when I banned  
2 that, and that it remained that way until, I  
3 think, the spring of 1961.

4 I can tell you, sir, about conversations.  
5 I would be delighted to give you the details  
6 of conversations I had with New York and  
7 with the Michigan authorities concerning crime  
8 rings and dope rings, and all the rest of it.  
9 And, I would say this, I could tell you what  
10 I did in connection with high-grading (in  
11 their language) which involves money in the  
12 millions, and involves international rings.  
13 And I could tell you what I did, then, in the  
14 Governments of Ontario and Canada, and with  
15 the Police Forces in Canada.

16 I would like to tell you of all these  
17 things if it is of value to this Commission.

18 Another thing is these discussions I  
19 had with the Commissioner, Commissioner Harvison,  
20 of the Royal Canadian Mounted Police; these  
21 were not casual, sir, these were calculated  
22 discussions, there were three in Ottawa and  
23 at least two here in Toronto in which I  
24 discussed people and affairs with him very  
25 frankly, and this is quite open, I am perfectly  
26 prepared to give testimony here to you about  
27 that and, as a matter of fact, you may ask  
28 the Commissioner about anything that I said  
29 to him in relation to these things.  
30







1           Now, sir, all I have said here is this:  
2           I am anxious to be helpful, and I want to assure  
3           you of this, sir, at no time have I ever  
4           temperized with crime, big or little, or above  
5           ground or underground. Now, that is the  
6           situation, sir.

7           Now, may I say in connection with this  
8           matter that you are ---

9           THE COMMISSIONER: This regulation?

10          A.       Yes, this regulation, sir; I will  
11          come to that and deal with that, I think, very  
12          quickly.

13          Q.       Can you give us just the history  
14          of that regulation to start with?

15          A.       Yes.

16          Q.       Where did it originate in the first  
17          place?

18          A.       I will be very glad to tell you  
19          about that, but if you will pardon me, sir, for  
20          a second, I will say this: I was up shooting --  
21          I was up shooting and, by chance, a copy of  
22          "Canada's National Newspaper" came into my  
23          hands, and I noticed that Mr. Cadney is said  
24          to have told the Commission -- but which I  
25          understand, probably, he did not say to the  
26          Commission -- but that:

27          "former premier Leslie Frost issued

28          "instructions that two Chinese clubs

29          "in Toronto be permitted to keep  
30







1 "gambling apparatus on their premises,  
2 "despite contrary regulations."

3 I want to say, sir, that that is completely  
4 wrong. I never did anything of the sort, and  
5 if Dr. Phillips feels that I did -- and I  
6 have the highest regard for Dr. Phillips --  
7 but, I may say that he must have completely  
8 misunderstood the situation.

9 Now, in the "Star" they say, "Link Frost  
10 To Changes in Chinese Club Charters". Well,  
11 I may say that didn't add anything ---

12 THE COMMISSIONER: Q. I would think  
13 your aim wasn't any better in the hunting  
14 expedition after reading that?

15 A. No, it did not improve my aim, and  
16 I wasn't very lucky. But, I am here in good  
17 humour, sir, and I am anxious to be helpful.

18 Now, the situation is this: You  
19 mentioned Regulation ---

20 MR. WILSON: Q. 61, 23.

21 A. 61, subsection 23. Well, sir,  
22 what happened was this ---

23 THE COMMISSIONER: Q. Excuse me, I was  
24 asking you where it originated in the first  
25 place.

26 A. Where it originated, sir, was  
27 this: Its first origin, my recollection is,  
28 that The Honourable Mr. Michener, when he  
29 was Provincial Secretary, he then framed what  
30



1. 2010年12月31日，甲公司“应付账款”科目所属各明细科目期末贷方余额如下表所示：





1 were to be departmental policies in connection  
2 with that, dealing with charters. Now, I think  
3 it was 1950 -- I can get you the exact date  
4 and get the names of those who were present  
5 at the conference -- the Mayor of Toronto,  
6 then Mr. Hiram McCallum, together with the  
7 then Chief of Police -- now, I presume that  
8 would be John Chisholm, and there may have  
9 been their solicitor, and there may have  
10 been others but, in any event, I very well  
11 remember McCallum, and I know the Chief of  
12 Police was there -- came to me in relation  
13 to the Michener (what I will term "the Michener  
14 policy" for purposes of brevity), and actually,  
15 what was done there, Mr. Michener collected a  
16 number of points that were in vogue at that  
17 time, and he embodied them into a departmental  
18 policy, but it was not codified into a  
19 regulation, as I will explain later.

20 In any event they, Mr. McCallum and  
21 those with him, told me of their difficulties  
22 in connection with social clubs.

23 I want to say this, sir, social clubs  
24 are phenomena of these days, sir. We have  
25 all kinds of them; ethnic clubs, religious  
26 clubs, all manner of clubs, and in some of  
27 these clubs their charters lend themselves  
28 to unscrupulous people to use for their  
29 own financial gain, and also they go into  
30

[illegible]





1 the liquor business, but this is not the time  
2 to go into this, unless you want me to.

3 In any event, arising out of this, I  
4 discussed this matter with these gentlemen,  
5 and I think Arthur Welsh was the Secretary,  
6 but I would have to check that up, but I  
7 think it was -- arising out of that, I said  
8 that I would do everything possible to give  
9 them the powers to get these people who were  
10 damaging the social clubs -- give them the  
11 powers to put this situation right. You had  
12 these unscrupulous people who would step in to  
13 try to use these clubs for their own personal  
14 gain. And, as a matter of fact, sir, I  
15 wrote this -- I did this after consultation  
16 with them, but I actually wrote this with my  
17 own hand, and these words are familiar to me.  
18 After consultations I had, I put this in at  
19 the end of the last sentence:

20 ". . . or provided with any means  
21 "or contrivance for playing any  
22 "game of chance or any mixed game  
23 "of chance and skill, gaming or  
24 "betting or with any device for  
25 "concealing, removing or destroying  
26 "such means or contrivance, these  
27 "letters patent may be cancelled  
28 "by and in the discretion of the  
29 "Lieutenant-Governor." -  
30

AA/3







1 The Lieutenant-Governor in Council.

2 Now, sir, at that time, that was in  
3 1990, and at that time I also provided that  
4 a social club must have and be limited to a  
5 permanent address. Now, that meant that they  
6 could not give Toronto or Lindsay, or some  
7 other place, as their permanent address; they  
8 had to have a street address, and that was it,  
9 that was where they carried on and did business,  
10 and if they changed that, then, it had to be  
11 by supplementary letters patent.

12 Now, also, I provided this, that every  
13 application, regardless, every application  
14 had to refer to the place to get their report  
15 on it, first of all.

16 Now, I want to say this, sir, after all,  
17 these things have to be taken in perspective,  
18 and in so doing I did not want to infer --  
19 nor do I infer now -- that everything that  
20 the police do is correct. I did not want to  
21 do anything as was after alleged after this,  
22 "I was turning the Province of Ontario into  
23 a police state". But, I wanted this, if  
24 there was a discretion exercised, that those  
25 who exercised the discretion would know what  
26 it was about. Now, that was the situation.

27 Now, sir, I might go on and go to ten  
28 years from that time, just to keep this  
29 consecutive. There were a great many charters  
30







1 that had been issued before this change of  
2 1950 and, as all these ingenious people take  
3 these things up with the result that in 1960  
4 we had -- we had a statutory provision put  
5 in under the Corporations Act, I think it is,  
6 a statutory provision making it compulsory  
7 that there should be a fixed place and so  
8 that that covered the old charters.

9 Now, that was about the situation.

10 Now, sir, the next step in it was this,  
11 that again I referred to this matter here  
12 as being . . .

13 THE COMMISSIONER: Q. The regulation?

14 A. . . . related to policy that  
15 I, myself, wrote down in 1950 in consultation  
16 with the then Secretary. I have no doubt  
17 Mr. Cudney, who was a very valued man, was  
18 there, and that the City authorities and that  
19 the Metropolitan Police --  
20

21 Now, sir, that was not codified at that  
22 time, but with the passing of the Corporations  
23 Act of 1953, I think it was, and the powers  
24 in that to make regulations, in the Act of  
25 possibly '53, this then was codified, and  
26 it is today represented by Section ---

27 MR. WILSON: Q. 61, subsection 23?

28 A. Section 61, subsection 23, that  
29 is the one.

30 Now, sir, all well and good ---







1 THE COMMISSIONER: Q. No, it is not  
2 Section 61, subsection 23.

3 MR. WILSON: Regulation 61, subsection  
4 23.

5 THE WITNESS: Yes, that is right. Now,  
6 sir, I would say that the next move was this:  
7 Up to that date I had succeeded in satisfying  
8 the Toronto police force, the Chief, and the  
9 others, they seemed to think this was a pretty  
10 good thing, but I could assure you of this,  
11 sir, I did not succeed in satisfying the  
12 Canadian Bar Association -- and, this is  
13 where the reference to the Gordon Commission  
14 comes into that -- I didn't succeed in  
15 satisfying them, and I didn't succeed in  
16 satisfying a great many lawyers in this  
17 Province who complained very bitterly not only  
18 of this matter, but in the workings of the  
19 Ontario Racing Commission, and probably some  
20 other things.

21 Now, I would say this, that the  
22 Opposition themselves - and I may say this, sir,  
23 that I found in my day Opposition to be helpful --  
24 but I was never able to satisfy them, sir,  
25 as well as I might try. They were dissatisfied  
26 with those provisions as well, and they  
27 talked of them -- it was one of their favourite  
28 subjects, of the Bar Association, they talked  
29 about police states and arbitrary methods and  
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1 denigration of British Justice, and that sort  
2 of thing and, as a matter of fact, they  
3 pressed that on me so much -- I was pressed  
4 with that so much, and having raised the point,  
5 I went to my friend Walter Gordon -- for whom  
6 I had a very high regard, and still have,  
7 despite the fact that he has slipped a little  
8 bit from favour -- in any event, I got Gordon,  
9 Principal MacIntosh of Queen's and Deputy  
10 Attorney-General Magone to act as a Commission  
11 to look at boards and commissions and  
12 discretionary powers.

13  
14 Now, sir, I may say this, again, that  
15 I often prefer my own draftsmanship, so I  
16 wrote Mr. Gordon a letter, and the letter  
17 is really the reference. Actually, we did  
18 form -- actually, we did clothe the Commission  
19 with powers of a Royal Commission, but I wrote  
20 him the letter dated the 15th May, 1926  
21 and, I think, to read it, you will see that  
22 the sky was the limit so far as the investigation  
23 of this matter was concerned. Now, the  
24 letter is here, sir, if you are interested  
25 in reading it. It is here, but in any case,  
26 I won't bother reading it now.

27 But, what I did was, say this in general,  
28 I pointed out this, that in these days there  
29 was the side of the elected - the people's  
30 representatives, and on the other side, the







1 administrative end of Government, whether it  
2 was in boards or commissions or what it was,  
3 and I asked this Commission to look at it  
4 and see what might be done to strengthen our  
5 system of democratic government from the  
6 side of correlating these two points.  
7

8 Now, that, the Commission did, and its  
9 findings are here, and they are here for  
10 everyone to read.

11 Now, sir, at that point that brings --  
12 I might say this, sir, to you, that ---

13 THE COMMISSIONER: Q. When did that  
14 Commission bring down its report?

15 A. It brought down its report, sir,  
16 in the fall of 1959, September 25th, 1959  
17 it brought in its report.

18 MR. WILSON: Q. What was the date of  
19 your letter?

20 A. My letter was dated the 15th  
21 of May, 1958.

22 THE COMMISSIONER: Q. Well, now, you  
23 have got three dates that stand out, and  
24 around which we may get it ---

25 A. Well, sir ---

26 Q. Just a moment. We have got  
27 the Commission set up on May 15th, 1958?

28 A. Yes.

29 Q. And that Commission was functioning  
30 in May, 1959?



1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is divided into two main sections: the first section deals with the general situation and the second section deals with the progress of the work.

2. The second part of the report deals with the results of the work during the year. It is divided into two main sections: the first section deals with the results of the work in the field and the second section deals with the results of the work in the laboratory.

3. The third part of the report deals with the conclusions drawn from the work during the year. It is divided into two main sections: the first section deals with the conclusions drawn from the work in the field and the second section deals with the conclusions drawn from the work in the laboratory.

4. The fourth part of the report deals with the recommendations made during the year. It is divided into two main sections: the first section deals with the recommendations made from the work in the field and the second section deals with the recommendations made from the work in the laboratory.

5. The fifth part of the report deals with the summary of the work during the year. It is divided into two main sections: the first section deals with the summary of the work in the field and the second section deals with the summary of the work in the laboratory.

6. The sixth part of the report deals with the bibliography. It is divided into two main sections: the first section deals with the bibliography of the work in the field and the second section deals with the bibliography of the work in the laboratory.

7. The seventh part of the report deals with the index. It is divided into two main sections: the first section deals with the index of the work in the field and the second section deals with the index of the work in the laboratory.

8. The eighth part of the report deals with the appendix. It is divided into two main sections: the first section deals with the appendix of the work in the field and the second section deals with the appendix of the work in the laboratory.

9. The ninth part of the report deals with the conclusion. It is divided into two main sections: the first section deals with the conclusion of the work in the field and the second section deals with the conclusion of the work in the laboratory.

10. The tenth part of the report deals with the final remarks. It is divided into two main sections: the first section deals with the final remarks of the work in the field and the second section deals with the final remarks of the work in the laboratory.





1 A. Yes.

2 Q. At the time that Mr. Phillips,  
3 who was then Provincial Secretary, sent the  
4 memorandum to Mr. Cadney?

5 A. Yes, that is right, and then  
6 the Commission ---

7 Q. And then the report of the Commission,  
8 finally, of September 23th, 1958?

9 MR. WILSON: 1959.

10 THE COMMISSIONER: 1959.

11 THE WITNESS: I want to add another  
12 date that I think is very important, and that  
13 is this, on December 22nd, 1958 MacKinnon  
14 Phillips was appointed as Provincial Secretary;  
15 that is, he was appointed some seven months  
16 after the Commission had come into being.

17 Now, Dr. Phillips, for whom, as I say,  
18 I have the highest of regard -- although I  
19 think Dr. Phillips has not got a legal mind,  
20 and perhaps that is a good thing not to have  
21 in these days -- he was a great expert in  
22 connection with alcoholism and drug addiction  
23 and things of that sort, which was then  
24 administered, and probably still is, from that  
25 Department and through the Alcoholism  
26 Foundation.

27 In any event, Dr. Phillips became the  
28 Minister on December 22nd, 1958 -- Now, it  
29 was not, as a matter of fact, then, sir, or  
30



[illegible]



1 about that time -- I guess it was before that  
2 time, as a matter of fact -- I took Mr. Gordon,  
3 Dr. Macintosh and Mr. Magone before Cabinet  
4 Council and I told every Minister there that  
5 I wanted him to disclose fully to the Commission  
6 all of the matters in which there might be  
7 arbitrary orders.  
8

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11 (Page 15350 follows)  
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1 Now, Dr. Phillips became Provincial  
2 Secretary in December of that year and I  
3 emphasized to him that is what he should do.  
4 I think he succeeded Mr. Dunbar.

5 MR. WILSON: That is quite right.

6 A. Now, shortly after that Dr. Phillips  
7 came to me and he had in the meantime  
8 accumulated considerable antipathy to  
9 Regulation 23, and he pointed out the same  
10 arguments I had heard about it elsewhere.  
11 No doubt people had probably talked to him  
12 and he pointed out to me the argument they  
13 had, that it wasn't fair to put that onus  
14 on the Minister and other things. I think  
15 myself that Dr. Phillips didn't realize it  
16 was encompassing every social charter but I  
17 do think he thought it affected the Chinese  
18 charter. I know he thought this because  
19 he discussed this with me and he went down  
20 and visited certain clubs himself and  
21 whether that was wise, whether it was a wise  
22 thing to do or not, he went down in his  
23 zeal and went to these clubs and came back  
24 and told me that this regulation was  
25 unfair. What he did say was he thought  
26 this regulation was used to oppress poor  
27 little Chinamen who played fantan, their  
28 national game, as perhaps some of our people  
29 play bingo or poker, and they are being  
30



I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.





1 chased around the country and it wasn't fair and  
2 he didn't like it. I admit this, sir, and  
3 I said to him at the time, "I have sympathy  
4 with your point of view, subject to this,  
5 we have a broader problem than this and that  
6 broader problem is dealing with a person  
7 who wants to get in under the wire and use  
8 these clubs for perhaps evil purposes."

9 I attempted to describe this to him  
10 by myself after consultation with the  
11 Attorney General's Department and officials  
12 such as Mr. Gudney and others. I said to  
13 him I will admit the weaknesses of this  
14 regulation, I admit that I think there are  
15 weaknesses manifest. First off you take  
16 Section 23 and then take the sections of  
17 The Corporations Act, Sections 3 and 326  
18 and 335. As a matter of fact, they pretty  
19 well give the Lieutenant-Governor in Council  
20 and with that the Provincial Secretary,  
21 really almost powers of life and death and  
22 that is what people were complaining about.  
23 I went so far as to consider the possibilities  
24 of creating a board that would deal with  
25 this great problem but I was then creating  
26 another board and another problem was there  
27 should be appeal perhaps from the Minister.  
28 These things took time. I gave evidence  
29 before and the Chief of Police -- what is the  
30







1 name of that club?

2 MR. WILSON: The Centre Road Veterans Club.

3 A. Yes. That came to me in my  
4 recollection in November and it went through  
5 on the process of cancellation in January.  
6 If appeals were mixed up in it it would be  
7 perhaps still going on. I said to Dr.  
8 Phillips, "You produce a regulation better  
9 than this one and we will consider it on its  
10 merits." I said, "If you are able or if  
11 you have imagination enough to find a  
12 regulation whereby we do not step on these  
13 poor little people and yet deal with the  
14 man who wants to use our system here and use  
15 it for evil purposes, we will do that."

16 That, sir, was my instruction to him.

17 Now, just to carry this on through to  
18 its conclusion, I will come back to this later,  
19 but on the 20th of May the situation was  
20 that on the 16th of July Dr. Phillips came  
21 up with a draft regulation leaving out the  
22 paraphernalia business and other things.  
23 In any event it came to the Cabinet Council  
24 on the 16th of July and it was rejected.  
25 As a matter of fact, it went to the Registrar  
26 of Regulations on the 16th of July, where  
27 all these regulations must go first of all,  
28 and it came to the Cabinet Council and it  
29 was rejected on the 30th of July, 1959.  
30



1944 - 1945

1. The first of the year was a very busy one.

2. The second of the year was a very busy one.

3. The third of the year was a very busy one.

4. The fourth of the year was a very busy one.

5. The fifth of the year was a very busy one.

6. The sixth of the year was a very busy one.

7. The seventh of the year was a very busy one.

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11. The eleventh of the year was a very busy one.

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17. The seventeenth of the year was a very busy one.

18. The eighteenth of the year was a very busy one.

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22. The twenty-second of the year was a very busy one.

23. The twenty-third of the year was a very busy one.

24. The twenty-fourth of the year was a very busy one.

25. The twenty-fifth of the year was a very busy one.

26. The twenty-sixth of the year was a very busy one.

27. The twenty-seventh of the year was a very busy one.

28. The twenty-eighth of the year was a very busy one.

29. The twenty-ninth of the year was a very busy one.

30. The thirtieth of the year was a very busy one.





1 Now, I have that order here, sir. There  
2 is a copy of the original there.

3 THE COMMISSIONER: I do not think we need  
4 it. In any event, that is what happened?

5 A. Yes.

6 THE COMMISSIONER: All we need to know is  
7 it was a regulation drafted by Dr. Phillips  
8 and it excluded the references that are now  
9 in the regulations.

10 A. Yes, that was rejected by the  
11 Cabinet Council and the original policy under  
12 Section 50 was put into Regulation 23 in 1954  
13 and it still stands to-day.

14 Now, I by no means say it is perfect.  
15 I do not think it is perfect, I think it  
16 is capable of injustices and I think it is  
17 capable of criticism, and there might be  
18 some better way of doing it but nobody has  
19 come up with that to date.

20 MR. WILSON:

21 Q. Now, I want to come back to this  
22 fact, Dr. Phillips wrote a fax memo to Mr.  
23 Gudney on May 20th.

24 A. It says here, "I was talking to  
25 the Honourable Minister late last night and  
26 he advised me to delay proceedings."

27 Now, I want to say that I issued no  
28 such instructions or never intended to. I  
29 may say, sir, on May the 20th -- and I did  
30 have occasion to look it up as to







DS/2

1 where I was on May 19th and I slept in the Hotel  
2 London on May 19th. I had at least two  
3 secretaries with me always and I used to try  
4 to carry on with the Government when I was  
5 on the road. I seldom left the Province of  
6 Ontario and I did try to carry on the  
7 Government while I was on the road, but I  
8 may say, sir, if there was any discussion  
9 with me about that, he may have telephoned  
10 me or one of my secretaries, but I have no  
11 recollection and it certainly wasn't an  
12 atmosphere that was conducive to understanding  
13 this highly technical matter and he clearly  
14 misunderstood what I said, and that is  
15 carried out by the record.

16 Now, Mr. Wilson, you have another  
17 document.

18 MR. WILSON: Yes, copy of a letter  
19 dated July 31st, 1959.

20 A. Tell me this, was I mentioned in  
21 other conversations in the month of May?

22 THE COMMISSIONER: No, only once.

23 A. I want to say this, sir, I was  
24 dealing with matters of general policy and  
25 I believe there was a Chinese Anti-Communist  
26 Club.

27 MR. WILSON: Yes, a Chinese Anti-  
28 Communist Club.

29 A. It isn't on this memo here.  
30





I have been thinking of you very much lately. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you very much lately. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.



1 Now, listen, I want to say this, I never  
2 heard of the Chinese Anti-Communist Club, or  
3 if I did it didn't register with me. I was  
4 dealing with the general question of policy.  
5 And the Chinese Anti-Communist Club or  
6 Chinese Athletic Club didn't mean a thing  
7 to me. Nobody made any representations  
8 to me; I didn't think about it. It may  
9 have been Dr. Phillips did because he  
10 apparently had been inspecting these places  
11 but they didn't mean a thing to me and  
12 I never issued or intended to issue such  
13 instructions. The doctor's letter is ---

14 Q. The doctor's letter is at page  
15 12655 of the transcript and it is dated  
16 July 31st, 1959, from Dr. Phillips and  
17 it says:

18 "Dear Les:

19 "Re: Chan Social Club

20 "The above Club was incorporated  
21 "under The Ontario Corporations Act by  
22 "Letters Patent dated March 28, 1956.  
23 "The Letters Patent limited the Club  
24 "premises to 180 Dundas Street West,  
25 "Toronto and the Letters Patent  
26 "contained the usual clause that if  
27 "the Club made any charge for gaming  
28 "the Letters Patent would be  
29 "cancelled.  
30







1 "The Club has made application  
2 "for Supplementary Letters Patent to  
3 "change its name to Fook Lee Social  
4 "Club and to change the location of  
5 "its Club premises to 124 Dundas  
6 "Street West, Toronto. When the  
7 "application was received my Deputy,  
8 "Mr. Cudney, in accordance with our  
9 "practice, referred the application  
10 "to the Ontario Provincial Police  
11 "and to the Metropolitan Toronto  
12 "Police. Both Police in their reports,  
13 "a copy of which is attached, strongly  
14 "objected to the issue of such  
15 "Supplementary Letters Patent and  
16 "also strongly recommended the  
17 "cancellation of the Charter and they  
18 "were of the view that the Club was  
19 "conducting a common gaming house.  
20 "The officers of the Club intimated to  
21 "the Police that they were making a  
22 "charge of ten cents an hour per  
23 "player, which is permitted by the  
24 "Criminal Code to a bona-fide  
25 "Incorporated Social Club. However,  
26 "in view of the clause in the Charter  
27 "which prohibits any charge being  
28 "made, even of ten cents an hour,  
29 "there are grounds for cancellation  
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1 "of the Charter. The Police feel that  
2 "the Club is charging a lot more than  
3 "ten cents an hour per player, as  
4 "there are only ninety members which  
5 "pay an annual membership fee of  
6 "\$25.00 and the rent is \$550.00 a  
7 "month. The Police felt so strongly  
8 "about the matter that Sergeant  
9 "Anderson of the Anti-Gambling Squad  
10 "of the Provincial Police and  
11 "Inspector Walker, Chief of the  
12 "Morality Squad of the Metropolitan-  
13 "Toronto Police both interviewed Mr.  
14 "Cudney personally and made a strong  
15 "recommendation that the Charter be  
16 "cancelled.

17 "Mr. T.R. Deacon, Q.C. of  
18 "Toronto is Solicitor for the Club  
19 "and he has been pressing very hard  
20 "for the Supplementary Letters Patent to  
21 "be issued. He has called Mr. Cudney  
22 "a number of times and advised that  
23 "he has made representations to the  
24 "Attorney General's Department. Mr.  
25 "Cudney has been in touch with the  
26 "Attorney-General's Department who  
27 "advise that they can see no objection  
28 "to the issue of Supplementary Letters  
29 "Patent changing the name and the  
30 "location of the Club premises, but





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1 "they have no comments to make upon  
2 "the alleged gambling and will not  
3 "make any commitment as to whether  
4 "the Charter should be cancelled.

5 "I am bringing this matter to  
6 "your attention for your advice as to  
7 "whether or not the Charter should  
8 "be cancelled and as to whether or  
9 "not Supplementary Letters Patent  
10 "should be issued."

11 MR. WILSON: That is the end of the letter  
12 and then it says:

13 "MR. ESTEY: Q. Is there any reply  
14 "to that letter?

15 "THE COMMISSIONER: Q. Why was the  
16 "Minister asking the Premier about it?

17 "A. I couldn't say, my lord.

18 "No, there seems to be no reply.

19 "There is nothing on file, Mr. Estey."

20 A. Yes, I may say that I have  
21 no recollection of the letter but let me  
22 give you the routine of my office. First  
23 of all may I say this, that was written on  
24 July 31st, 1959. In my office there was  
25 what was known as a correspondence committee,  
26 which I suppose operates in every big  
27 office, where mail goes through a big hopper  
28 and only those referred to me would be  
29 referred to me. I have never seen that  
30

[illegible]





1 letter. I cannot understand why Dr. Phillips  
2 would write that letter to me. Why in the  
3 world wouldn't they leave it to the machinery  
4 of the Department.

5 Q. Subsequently the club charter  
6 was cancelled on December 6, 1961.

7 A. They did the right thing although  
8 it apparently took them a little time to  
9 do it, from the evidence.

10 Q. I think that pretty well covers it.

11 THE COMMISSIONER: Mr. Estey, have you  
12 any questions?

13 MR. ESTEY: I am sure, my lord, I am  
14 not going to send Mr. Frost away in any  
15 worse humour than he was when he arrived.

16 THE WITNESS: I have gotten over it,  
17 Mr. Estey.

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1 EXAMINED BY MR. ESTEY:

2 Q. Now, you are a long time member of  
3 the Bar of this province and a distinguished  
4 member, and you have practised law for a  
5 long time, and in the course of that no  
6 doubt you have incorporated many companies?

7 A. I am sorry, not many in the  
8 last twenty years. I am afraid I am no  
9 longer a good lawyer after twenty years out  
10 of practice.

11 Q. I hope the press doesn't report  
12 that back in Lindsay!

13 A. Oh, I think they have given me up.

14 Q. We have heard perhaps too much  
15 about the Centre Road Club, but to refresh  
16 your memory ---

17 A. Was that the club the Chief of  
18 Police wrote me about?

19 Q. Yes, Chief McGill. There  
20 seems to be a lot of correspondence back and  
21 forth between the Attorney General and the  
22 Provincial Secretary, and ultimately three  
23 provincial charters were issued and one  
24 went to the Cooksville Club and one to the  
25 Centre Road Club.

26 A. Was that one of the revised  
27 charters that resulted as a cancellation of  
28 the federal charter?

29 Q. That is right. It was surrendered.  
30







1 Now, I take it from your reference to it  
2 at least in a general way you were familiar  
3 with the practice followed by the two  
4 Departments of your Government?

5 A. Yes, I don't know whether I  
6 mentioned that when I was here and gave  
7 testimony before, but I would say this, that  
8 I felt myself, and I still feel myself, that  
9 it was reasonably good sense to try to work  
10 that co-operation between the Federal and  
11 Provincial Governments. As a matter of fact,  
12 one of the complaints the Metropolitan  
13 Toronto Police made, that if they had a  
14 federal charter, they were up a gum tree.

15 I felt to get these charters into a  
16 position where they could be dealt with  
17 under the provincial aegis was good sense.  
18 As a matter of fact, Mr. Roberts, I notice  
19 in reading over the records, made a press  
20 statement in 1957 in connection with that.  
21 I cannot say I paid my particular attention  
22 to that, but I would go along with it as a  
23 reasonable way of dealing with the matter.

24 Q. I understand that, but my  
25 question was, was this step taken as a  
26 result of government policy as a whole or  
27 was it a step taken on the authority of  
28 the Attorney General?

29 MR. WILSON: Well, now, Mr. Commissioner ---  
30



I am very glad to hear that you are well and hope you are enjoying the summer. I have been very busy with my work, but I have managed to find some time to write to you. I hope you are doing well and that the weather is good where you are. I have been thinking about you a lot and wondering how you are getting on. I hope you are happy and healthy. I will be in touch again soon. Love, [Name]





BR/3  
1 THE COMMISSIONER: It isn't going to  
2 do any harm.

3 A. I will answer that - as I said  
4 in my testimony here before, our policy was  
5 to try and eliminate those things that might  
6 be evil.

7 Q. Your government was against sin?

8 A. Sure, I am always against sin,  
9 I have always been against sin but let me  
10 put it to you in this way -- The practice I  
11 followed was this, there is not much difference  
12 between this and a military operation. You  
13 see the fellow in command says we want to  
14 take so and so and you leave it to the commanders  
15 on the ground to do it and that is the very  
16 way it was in this matter. It was left with  
17 Mr. Roberts, and I want to say he is a very  
18 conscientious man and has been a friend of  
19 mine since we served in World War I together.  
20 In my judgment he is a good fellow and I  
21 left it to him to work it out, to work out  
22 the details of the matter and I suppose that  
23 is what it was.

24 Q. That in one way or the other  
25 answers my question but I would like to get it  
26 on a narrower issue front.

27 A. That is a narrow front.

28 Q. Did you use the Corporations Act  
29 to assist the Attorney-General's Department in  
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1 enforcing the criminal law?

2 THE COMMISSIONER: What is that?

3 MR. ASTLEY: I wanted to know if the  
4 witness, as policy maker and head of the  
5 Government, approved of the use by two Cabinet  
6 Ministers of these Acts to assist in enforcing  
7 the criminal law in gaming operations in  
8 Cookeville.

9 THE COMMISSIONER: That is too formal  
10 a question; tack it down in popular language  
11 in which a country lawyer can understand it.

12 MR. ASTLEY: Oh, I wasn't trying to do  
13 that, after all we are all struggling young  
14 fellows.

15 Let me put it this way: They were having  
16 trouble in Cookeville and Chief McGill said  
17 "what are you going to do about it?". In  
18 any event they were having trouble and it  
19 was a club chartered under the Federal Act  
20 and somebody said, "Let us get them to surrender  
21 that Federal charter and get them under the  
22 Provincial charter".

23 MR. WILSON: The letter from Chief McGill  
24 didn't come until 1959.

25 MR. ASTLEY: I don't want to fight a  
26 two-front war. I am talking about 1957  
27 when Mr. Roberts made a press announcement.  
28 The press announcement said that they couldn't  
29 touch these Federal companies - "We cannot  
30



The first of these is the fact that the  
 of the world is not a uniform one. It is  
 a world of many different peoples and  
 of many different customs and habits.  
 The second is the fact that the world  
 is not a static one. It is a world  
 of constant change and development.  
 The third is the fact that the world  
 is not a simple one. It is a world  
 of many different problems and  
 of many different solutions.



1 touch these Federal companies and rather than  
2 get into legal technicalities let us get them  
3 out of the Federal field and we will have  
4 Section 23<sup>rd</sup> which Mr. Frost has read.

5 THE WITNESS: It is a very good  
6 regulation some people say.

7 MR. ESTEY: Q. The fact of that really  
8 is you were using the Ontario Corporations Act  
9 to get the gamblers in Cocksville, give them  
10 a legal entity which you could bring within  
11 the criminal law, is that right?

12 A. Yes, it is.

13 Q. You are a lawyer, though you  
14 may allege to be a small town lawyer, you know  
15 the Corporations Act has been in existence  
16 since the turn of the century, and you know  
17 it says that the Provincial Secretary, before  
18 it issues one of these charters, shall  
19 determine the bona fides of the applicant.

20 that  
21 Now, I think you will agree it was well  
22 known to the Government and to your Attorney-  
23 General and to the Provincial Secretary when  
24 you gave these gamblers a charter.

25 A. May I ask you this, if I may  
26 ask you a question, if your reasoning had  
27 been followed, then this Vets Club would still  
28 be in business and the Vets Club is out of  
29 business and the two proprietors are on their  
30 way to jail.







1 Now, as I heard in a play at the Crest  
2 Theatre the other night, I fight the devil  
3 with fire.

4 Q. Fight the devil with fire?

5 A. I used to be able to.

6 Q. Now, you suggest some of the fire  
7 may have been burned out?

8 A. In the amendment to the Corporations  
9 Act in 1960 we did that same thing. I think  
10 we fought the devil with fire there. It was  
11 retroactive and some people may object to that  
12 but we did it.

13 Q. Let us talk about that for a  
14 minute. You said the Canadian Bar Association  
15 had some unkind things to say about your  
16 Boards and your Commissions?

17 A. They had plenty.

18 Q. I was not a party to that.

19 A. Were you on the committee -- ?

20 Q. The Canadian Bar Association  
21 had something to say about restrictions in  
22 letters patent?

23 A. Yes, I had lawyers complaining  
24 about that all over the place.

25 Q. Well, lawyers are known as  
26 complainers.

27 THE COMMISSIONER: Surely the Bar  
28 Association didn't complain about the  
29 government putting restrictions on letters  
30





1 patent. As I have said before, you were  
2 the master in your own house.

3 A. They didn't complain about  
4 restrictions of that sort but what the members  
5 of the Bar Association were complaining about  
6 were certain arbitrarily unappealable features.

7 MR. ESTEY: Q. Now the truth of the  
8 matter is this, that there was no right of  
9 appeal.

10 THE COMMISSIONER: Let us get back  
11 on the track, keep on the rail, I do not  
12 think the Government agreed to put in  
13 restrictive practices in the letters patent.

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17 (Page 13367 follows)  
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1 THE COMMISSIONER: It would take some rights  
2 from them?

3 A. Yes.

4 Q. By letters patent the applicants  
5 got rights, and if you say, "Yes, I will give  
6 you certain rights, subject to certain  
7 restrictions", there can be no complaint by  
8 any legal association, is that right?

9 A. That is right.

10 Q. What you say is that where  
11 arbitrary powers were given there was no appeal  
12 which could take away those rights?

13 A. May I say this, sir. That was  
14 one point Dr. Phillips complained about when  
15 he asked for a decision under this section  
16 and actually there wasn't any right of  
17 appeal. I notice Mr. T.B. Horkins had  
18 something to say about it.

19 Q. I can quite understand that is  
20 one of the things he would ride on.

21 MR. ESTEY: Q. I do not want to labour  
22 this, but there is a point and I would like  
23 to get this clear. What you really say is  
24 that when the Provincial Secretary cancels  
25 a charter there was no appeal from that?

26 A. I think that would be correct;  
27 that as a matter of fact was the background  
28 of the Gordon Commission.

29 Q. Regulation 23 hasn't a thing to  
30



THE UNIVERSITY OF CHICAGO  
CHICAGO, ILLINOIS  
JANUARY 1954  
TO THE PRESIDENT OF THE UNIVERSITY  
FROM THE DEAN OF THE FACULTY  
SIR:  
I have the honor to acknowledge the receipt of your letter of the 11th inst. and in reply to inform you that the same has been forwarded to the appropriate authorities for their consideration.  
Very respectfully,  
[Signature]  
Dean of the Faculty

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1 do with cancellation of a charter?

2 A. No.

3 Q. That is a restriction in letters  
4 patent?

5 A. Yes.

6 Q. But the sections of the Act was  
7 something that they might be concerned with?

8 A. You have to read them together.

9 Q. You can cancel a charter and  
10 there is no appeal?

11 A. That is right.

12 Q. There were a whole lot of  
13 instances where there was something like  
14 this?

15 A. Yes.

16 Q. But Section 23 hasn't such breadth?

17 A. I would say Regulation 23 sets  
18 out the conditions. There is this relevance,  
19 what you might call the clause at the end  
20 of that may very well mean that if the  
21 Provincial Secretary thinks that a pack of  
22 cards was gambling paraphernalia that could  
23 lead to cancellation of the charter and  
24 many lawyers thought that was important.

25 Q. Now, in regard to letters patent  
26 you have an absolute right?

27 A. That is right.

28 Q. It is purely a matter of your  
29 discretion?





1 A. Yes.

2 Q. It is quite different when you  
3 cancel a charter?

4 A. Yes.

5 Q. Now, the real complaint surrounding  
6 this, and I think you have made your comments  
7 about this, the real complaints about the  
8 use or abuse of these charters is what  
9 happened after the legitimate applicants  
10 got hold of a charter and then it was put  
11 in the hands of somebody else. Maybe two  
12 per cent of the people won't get it for  
13 illegal purposes, but your real problem is  
14 to control it after it is issued?

15 A. That is right, that is what  
16 Section 23 means.

17 Q. Your government devoted con-  
18 siderable time and energy to the use or  
19 misuse of these charters and you introduced  
20 Section 231 which said you will not move  
21 head offices of the club without our  
22 permission?

23 A. That is right.

24 Q. And you had to put that in to  
25 make it restrictive?

26 A. Yes.

27 Q. I suppose a lot of the difficulty  
28 would have been avoided had it been put in  
29 the Code in 1954?







1 A. I suppose so. Your hindsight is  
2 really better than your foresight.

3 Q. That is why lawyers have so much  
4 to say. They always come in after. Somebody  
5 thought it important to put this in and you  
6 put it in the Act?

7 A. If you did this and some ingenious  
8 fellow down on Bay Street had looks it over  
9 and says, here is an old charter and this  
10 is outside of the scope of that regulation,  
11 you would have difficulty.

12 Q. As a matter of fact, we have it  
13 now with old racing charters?

14 A. That is correct.

15 Q. And it is raising by exhumation  
16 seven old charters.

17 THE COMMISSIONER: We have enough to do  
18 without getting into that.

19 A. I may say this, I think the  
20 difficulties in that respect are over because  
21 there hasn't been a new charter granted for  
22 fifty years and that goes back to the  
23 Rainey days.

24 Q. Do you mean Rainey or rainy?

25 A. He was a very fine gentleman but  
26 he had very pronounced views.

27 THE COMMISSIONER: Now, let us not  
28 waste time talking about racing charters.

29 THE WITNESS: I will talk to you private ly  
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1 about that.

2 MR. ESTLEY: Q. I suppose your remarks  
3 about the difficulties one gets into in the  
4 other Regulations is proven by the Chinese  
5 Club because one of your Cabinet members  
6 said very unkindly, "Our laws are not well  
7 written".

8 A. That was Mackinnon Phillips.

9 Q. I can agree with him.

10 A. I wouldn't hold that against him.

11 Q. When did you first become aware  
12 of the fact that the two Chinese charters  
13 were in existence?

14 A. When I got that fourteen pound  
15 brief that Mr. Yarensko presented to this  
16 Commission. That would be some time within  
17 the last six months. As a matter of fact,  
18 I had never heard of them before and, as a  
19 matter of fact, I wondered about the validity  
20 of it when I saw it, but now counsel have  
21 told me there is nothing wrong with it. It  
22 was arbitrarily taken out and could  
23 arbitrarily be put in again.

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25 (Page 13375 follows)  
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2 Q. You apparently disagreeing ---

3 A. I disagree with it having been  
4 done, of course.

5 Q. You disagree with it?

6 A. Oh, yes.

7 Q. And the fact it was done without  
8 application from the club or application for  
9 supplementary Letters Patent that were obviously  
10 required?

11 A. You have got to remember this.  
12 The doctor, I suppose, felt very strongly about  
13 this. He went and looked at these places  
14 and all the rest of it. He felt that  
15 provision that was in there was wrongful, and  
16 when it was used to chase a lot of poor, little  
17 Chinamen around who were playing fan-tan among  
18 themselves, that it should be out. Now, I  
19 suppose that is what he felt. Therefore  
20 he asserted his authority and took it out.

21 Now, he may have thought that I  
22 agreed with it, but I can assure you, sir,  
23 that I did not agree with anything of the sort.

24 Q. Well, you have been very frank  
25 and it is very clear and I have no more questions.  
26 I just want to congratulate you that in all my  
27 reading I found no evidence of any gambling  
28 club in Liddsey.

29 A. That is very nice.  
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L. M. Frost

13376

MR. LAWLOR: One question, Mr. Frost.

THE COMMISSIONER: I'll hold you to that.

MR. LAWLOR: That will be the first time you held them, Mr. Commissioner. We all said we were going to ask one but they kind of lead on.

EXAMINATION BY MR. LAWLOR

Q. In the evidence of Friday, October 12th, apparently a letter in connection with the Chan Social Club was directed from the Minister at that time to you, Mr. Frost, as Premier, and the letter set forth re the Chan Social Club in detail running on pages 12656 -----

A. Is that the letter of 31st July?

MR. WILSON: The letter I read.

THE WITNESS: Yes.

MR. LAWLOR: Q. It is in connection with this. This is a Chinese club, how their Letters Patent were given in 1956 and it was limited to 120 Dundas Street and they applied for supplementary Letters Patent to change the name to the Fook Lee Social Club and to change their operation to 124 Dundas Street, and there were police objections in both instances. He recites all this in a letter to you going down quite a few pages.



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2 The police objections were fairly profound  
3 and they were not those incidental things.  
4 They found a charge of membership fee and ten  
5 cents an hour being charged advisedly which is  
6 against, as you know, the charter. Then he  
7 mentions the solicitor for the club, and at the  
8 end of the letter he says:-

9 "I am bringing this matter to  
10 "your attention for your advice as  
11 "to whether or not the charter  
12 "should be cancelled and as to  
13 "whether or not Supplementary  
14 "Letters Patent should be issued."

15 Mr. Estey asked: "Is there any reply to that  
16 letter?" and the Commissioner then asked:-

17 "Why was the Minister asking the  
18 "Premier about it?"

19 and then the answer is:-

20 "I couldn't say, my lord"

21 That is, Mr. Cadney, and then he goes on:-

22 "There seems to be no reply. There  
23 "is nothing on file"

24 Do you recall that at all?

25 THE COMMISSIONER: He swore he has  
26 no recollection of the letter.

27 THE WITNESS: No.

28 THE COMMISSIONER: He has said that  
29 unequivocally.

30 MR. LAWSON: He did, eh?





L.M. Frost

13378.

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2  
3 THE COMMISSIONER: Oh, yes.

4 MR. LAWLER: Well, I guess that  
5 ends that. No further questions.

6 THE WITNESS: Sir, there is just  
7 one other point, and I read this in the press,  
8 that Mayor Miller of Niagara Falls had referred  
9 to some club over in Niagara Falls, some Italian  
10 club ---

11 MR. ESTEY: Niagara Frontier Club,

12 THE WITNESS: I would say it is  
13 about the Niagara Frontier Club, but I never  
14 intervened on their behalf directly or ~~INDIRECTLY~~  
15 indirectly in connection with any charter or  
16 supplementary letters patent or liquor licence,  
17 none whatever. I didn't do anything of the  
18 sort.

19 Now, I may say this, sir. It is  
20 very probable that Mayor Miller, who is the  
21 Mayor of Niagara Falls and a very fine citizen  
22 of that community, it may have been that he  
23 mentioned that to me at one time, I don't know,  
24 but I would say this, sir, that you would find  
25 this if you were premier of a province. Every  
26 body comes to you about, whether it is an old  
27 age pension or whether it is a charter or  
28 whether it is something of the sort, or  
29 whether it is a liquor licence. Now, I always  
30 made this provision. I always said to them,







L.M. Frost

13379.

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2  
3 "Well now, you look to have a vdry good case.  
4 You had better go to the board, or to the  
5 commission, or to the department, and make  
6 application" and see it go through the wringer.  
7 I didn't tell them that, but that is what would  
8 be the course.

9 Now, I think you would agree that  
10 that would be the right thing. It wouldn't  
11 be anything to me. I would be arguing all  
12 the time with people if I said, "I don't think  
13 you have a good case, but you have got a poor  
14 case" or something of the sort. Far better  
15 to listen to them and say, "Well, now, all you  
16 do is just run down and make application and  
17 you will be asked certain things. If your  
18 case is as good as you say it is, no doubt  
19 you will get your licence". That is all  
20 I said, sir, and I think it is the best answer  
21 that I could give.

22 THE COMMISSIONER: Well, thankyou.

23 A. Thank you very much, sir.

24 MR. WILSON: Mr. Yarenko.

25 THE COMMISSIONER: I have a dental  
26 appointment in three-quarters of an hour.

27 MR. ESTEY: We are going to be  
28 some time with this witness. I don't see  
29 any merit in starting with this witness.

30 THE COMMISSIONER: Perhaps it might

[illegible]





13380.

1  
2  
3 be advisable to call it a day now. What do  
4 you gentlemen suggest?

5 MR. EATY: I suggest that would  
6 be a good idea, because we will be a while,  
7 not too long but longer than an hour with this  
8 gentleman, and we may as well be finished at  
9 one time as divide it in half.

10 THE COMMISSIONER: Then to-morrow  
11 you have an engagement?

12 MR. WILSON: I would certainly  
13 like to have to-morrow to attend a certain meeting.

14 THE COMMISSIONER: At Osgoode Hall.

15 MR. WILSON: At Osgoode Hall.

16 I think we could go on on Monday, if it meets  
17 with your approval, and then follow it with  
18 the summation after that of counsel, of course  
19 in camera.

20 THE COMMISSIONER: That is what we  
21 will do.

22 -----Whereupon the hearing adjourned at  
23 4.00 p.m. until 10.00 a.m. on  
Monday, October 21st, 1962.



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67

VOLUME NO.....

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT  
OF PROCEEDINGS

Date... **Monday, Oct. 22/62.**

pp 13381 - 13570



Supreme Court Reporters  
145 Yonge St.  
Toronto







VOLUME 67

INDEX TO WITNESSES

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(Recalled)

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Mr. Lowler 13343

INDEX TO EXHIBITS

Ex. No.	Page No.	Description
295-A	13500	Report dated 15th July, 1960, of the Metropolitan Toronto Police re Somerset Club.
295-B	13500	Report dated 11th July, 1962, of the Metropolitan Toronto Police, re Somerset Club.
296-A	13500	Report dated 21st April, 1960 of the Metropolitan Toronto Police, re Omega Club.
296-B	13500	Report dated 27th April, 1961, of the Metropolitan Toronto Police, re Omega Club.
297	13347	Report, 1947.





A1/10'D

MONDAY, OCTOBER 22, 1962

---On resuming at 10:25 o'clock a.m.

THE COMMISSIONER: Mr. Brewin.

MR. BREWIN: Yes, Mr. Commissioner. There are one or two matters with regard to the conduct of these proceedings which I wish to discuss with you. The first, with respect to evidence on phase 3, and, I understand, that it is proposed by you, sir, to hear the evidence of certain police commissioners on the extent of organized crime in Ontario in camera, and my submissions with respect to that are that such parts of the evidence given that are not confidential should, after the hearing, be released to the public, or made available to the public and counsel before this Commission. Dealing with that, sir, it is my submission, I fully understand that some of this evidence may deal with confidential information, methods used by the police and so on in the detection of crime which would be very wrong to make available to the public, and certainly that element of the public which is interested in not defending the law. I appreciate that so I am not objecting to the hearings of the senior police officials on that phase of the matter being in private, but I do say, sir, that in all probability some of the evidence





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1 so given will be such as should be revealed  
2 to the public on what is, after all, a public  
3 inquiry, as part of the purpose of the inquiry  
4 is public education, and if the public is to  
5 deal with your report, any recommendations  
6 arising out of it, and to know the seriousness  
7 of the matters with which we are dealing, it  
8 seems to me the views of the people on this,  
9 as not in the field of confidence, should be in  
10 evidence for the public. That is my first  
11 submission and I don't think I should do more  
12 on that score.

13  
14 My second submission has to do with regard  
15 to submissions to you. It is my understanding  
16 you have indicated a view that the submissions  
17 should be made in camera or privately by counsel  
18 representing this Commission and once again  
19 my respectful submission is those submissions  
20 should be made to the public on a public inquiry,  
21 or made available to the public, so that  
22 the public can know the parts are discharged  
23 by the people who have tried to assist you  
24 in this matter, and know the recommendations  
25 that are made and conclusions drawn. I  
26 appreciate people like myself and Mr. Estey  
27 who represent political parties may make  
28 representations out of case in this inquiry  
29 but I know, it goes for myself and Mr. Estey  
30 and Mr. Lepeler, that our submissions will seek







1 to avoid any political tone and seek to be as  
2 helpful and factual as they can be to you.  
3 We tried to conduct ourselves in that way and  
4 intend to do so. Perhaps if somebody asked  
5 me what conclusions or recommendations I would  
6 make, I am not against informing any section of  
7 the public what are the certain submissions and  
8 views that, as a result of being counsel on  
9 this Commission, I have come to, and I think  
10 that not only an experienced persons like you  
11 may survey the evidence and report on it, but  
12 the public may be informed with regard to the  
13 matters being inquired into, and the very nature  
14 of the Act requires that as little should be  
15 done behind closed doors as is possible, in  
16 my respectful submission, and in my respectful  
17 submission I feel anything approaching secrecy  
18 with regard to submissions, the good would far  
19 outweigh any evil from -- that some of us may  
20 consciously or unconsciously transgress and say  
21 what is unhelpful to you. That is my sub-  
22 mission in that matter and it is a matter for  
23 you to decide how these proceedings should be  
24 conducted, but I would like a very direct  
25 statement before I took part and submitted  
26 submissions to you, sir, whether or not anything  
27 I submit was to be regarded as secret and  
28 confidential; whether we make it in private or  
29 public, sir, something which is not to be made  
30







1 available to others.

2 I think Mr. MacKinnon has written you with  
3 regard to the date of the submissions and I  
4 only want to say with him that I would find it  
5 extremely difficult to collect what I regard  
6 as relevant submissions from the 60-odd  
7 volumes of evidence we have in a short time.  
8 I don't want to delay the matter but ask that  
9 we be given a little longer to appear on our  
10 submissions. In

11  
12 The last part has to do with regard to  
13 a letter sent you September 17th in which I  
14 asked for the recall or -- my letter says  
15 "Chief Justice McGill" which is obviously an  
16 error -- he is promoted far beyond his means --  
17 Chief Constable McGill, with regard to an  
18 entry in Sergeant Anderson's diary, the 19th  
19 January, 1962. You know the content of that  
20 entry.

21 THE COMMISSIONER: Yes.

22 MR. BREWIN: It is directly relevant to  
23 the matters being inquired into. It is true  
24 it is contradicted by evidence given earlier  
25 in this hearing, but on searching into the facts  
26 the contradictions are not too surprising in  
27 this sort of a matter. My submission, both  
28 to McGill and those he referred to in this  
29 entry should be recalled to get at the bottom  
30 of this matter, which, if true that these things



[illegible]



1 were said, is extremely relevant to this inquiry,  
2 and I ask that Chief McGill be recalled to be  
3 examined on this matter before this hearing  
4 is closed.

5 THE COMMISSIONER: I have heard your  
6 submissions. I will take that under considera-  
7 tion. Are you ready to begin your cross-  
8 examination?

9 MR. ESTEY: The point Mr. Brewin has raised,  
10 the matter has been discussed before you and  
11 the rest of counsel, and I want to say again,  
12 this should be said for the record, that what  
13 Mr. Brewin has said is correct as it applies  
14 to the part of the hearing I was involved in,  
15 Part No.1, and when it comes to applying the  
16 principle, we are in the hands of the  
17 Commissioner whether anything is done in private  
18 or public. The role of counsel in argument  
19 is to summarize the arguments in such a way  
20 the points counsel wish to make to be of some  
21 assistance to the Commissioner. Mr. MacKinnon  
22 has indicated he is in your lordship's hands  
23 on points 2 and 3 how the argument shall be  
24 made. I am in the same position. I think,  
25 in summary, if possible we would favour having  
26 the argument made public and if you want  
27 to proceed for reasons already outlined to you,  
28 we will say no more about the proceedings  
29 in private.  
30



The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. The letter is signed by Abraham Lincoln and is addressed to the Senate and House of Representatives. The letter discusses the state of the Union and the progress of the war against the Confederacy. It also mentions the President's efforts to maintain the Union and his commitment to the principles of liberty and justice for all.





1  
2 THE COMMISSIONER: When we are through  
3 with the cross-examination I will rule on  
4 all these matters.

5 MR. BREWSTER: I hope you think it not  
6 disrespectful if I am not here. Mr. Lawlor  
7 will continue if I am not available.

8 MR. WILSON: I will call Mr. Yarenko.

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May 1914

The following is a list of the books  
which have been added to the  
collection since the last report.  
The books are listed in the order  
in which they were received.  
The names of the authors are  
given in full, and the titles  
are given in full, and the  
dates of publication are given.

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1  
2 JOHN YARENSKO, recalled

3 EXAMINED BY MR. ESTEY:

4  
5 Q. You have been Provincial Secretary  
6 I believe since May, 1960?

7 A. 26th May, 1960.

8 Q. And it is a relatively short  
9 time, but you may have a different view on that  
10 and I will, so far as possible, try and confine  
11 my questions to matters arising during your  
12 tenure of office on matters of policy not  
13 confined to any particular period and, in my  
14 examination I will try to bear in mind your  
15 learned Deputy has gone before and gave facts  
16 whic\_h you would otherwise have to give.

17 What does your Department do when you  
18 receive a notice on your file on the club in  
19 question that the charter has been sold?

20 A. I don't think that we have ever  
21 received a report which has been limited to  
22 that blunt statement. Invariably, the Deputy  
23 Minister brings to my attention a report which  
24 he has received by and large from a police  
25 department, and the report is gone over by myself  
26 and then discussed with him. And then I  
27 reach the conclusion as to what action should  
28 be taken in that regard.

29 Q. Now, before we proceed further,  
30 I think you will recall, as you were here, that







1 you do have one file in your cabinets where  
2 the bald statement is made that this charter  
3 has been sold, dated 8th of April, 1958. It  
4 bears a receipt of the Provincial Secretary,  
5 8th of April, 1958, and it is signed by the  
6 club in question.

7 What does your Department do?

8 A. You have not told me the name of  
9 the club.

10 Q. Queen City Chess and Bridge Club.

11 A. In that instance, there was a  
12 direction given by myself to the Institute  
13 proceedings for cancellation.

14 Q. That was, of course, some time  
15 afterwards. What was the ground for cancellation?

16 A. Failure to make --- I believe --  
17 May I have the file? I think I should have  
18 the file to make an accurate answer.

19 Q. By all means. The number on the  
20 file, it is No. 018568.

21 A. On the 15th of May, 1961, the  
22 Deputy Minister wrote to Queen City Chess and  
23 Bridge Club:

24 " Under the provisions of

25 "Section 4 of The Corporations

26 "Information Act it is hereby

27 "required that your corporation

28 "on or before the 25th day of May,

29 "1961, make a return to this office  
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The first part of the report is devoted to a general survey of the situation in the country. It is followed by a detailed account of the work done during the year. The report concludes with a summary of the results and a list of references.

REPORT ON THE WORK OF THE DEPARTMENT OF AGRICULTURE FOR THE YEAR 1911

I. The first part of the report is devoted to a general survey of the situation in the country. It is followed by a detailed account of the work done during the year. The report concludes with a summary of the results and a list of references.

II. The second part of the report is devoted to a detailed account of the work done during the year. It is divided into three sections: (a) the work of the various departments, (b) the work of the various committees, and (c) the work of the various individuals.

III. The third part of the report is devoted to a summary of the results and a list of references.





1 "containing all books of your  
2 "corporation since incorporation  
3 "to date, including minute books,  
4 "membership registrations and  
5 "books and records of account."

6 And then on the ---

7  
8 Q. That was read into the record,  
9 and June the 1st ---

10 A. June the 1st, the letter was written  
11 to them -- A letter under date of May the 15th:

12 " By letter under date of May  
13 "the 15th the above corporation was  
14 "required under Section 4 of The  
15 "Corporations Information Act on  
16 "or before the 25th day of May, 1961,  
17 "to make a return to this office  
18 "containing all the books of the  
19 "corporation since incorporation  
20 "to date.

21 " To date this return has not  
22 "been made and, accordingly, I would  
23 "advise that, unless cause is shown  
24 "to the contrary why the charter of  
25 "the above corporation should not be  
26 "cancelled, an order will be made on  
27 "or after June the 14th, 1961,  
28 "cancelling the letters patent of  
29 "the above corporation for cause."

30 No reply was received and we cancelled.



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1 Q. June the 16th you ordered it  
2 cancelled. That is based on a subsequent  
3 failure to file returns?

4 A. No, it was not. It was based on  
5 the fact that they did not make a special return.

6 Q. Corporations Informations Act,  
7 Section 4. The file does not have a note that  
8 the charter was sold in 1958? Ultimate  
9 cancellation had no bearing on that at all.  
10 What in the Act lets you do anything in  
11 accordance with that memorandum that I referred  
12 to?

13 A. If there was an improper transfer  
14 of the letters patent, if there was no relation  
15 between the club which at one time operated  
16 under the provisions of the charter, and,  
17 subsequently some other club purported to  
18 operate without what is ordinarily termed the  
19 ordinary process of change, where there is a  
20 change in membership and a change in executive,  
21 the Department would find that as sufficient  
22 cause for cancellation, and the purpose of the  
23 special return was to determine the facts  
24 of the situation to determine whether there  
25 was any validity to this blunt statement as  
26 to the charter having been sold.

27 Q. That, of course, is two years  
28 after the event, but what section of the Act  
29 do you refer to when you say you have any power  
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1 to do anything about that statement?

2 A. Section 326 where there is  
3 sufficient cause.

4 Q. Now in all your ---  
5

6 THE COMMISSIONER: 326?

7 A. 326 of The Corporations Act.

8 Q. That is the general cancellation  
9 statement?

10 A. What report are you talking about?  
11 The 1958 report. May I have that?

12  
13  
14  
15 (Page 13393 follows)







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Q. It is the one dated April the 6th, 1958, that we are talking about throughout this line of questions, Mr. Yarenko. It is a very short two-sentence memorandum from the club which says this charter has been cancelled, and for further information contact Mr. Carl Keyfetz, and give his address.

A. Oh, I thought you were referring to a police report.

Q. Oh, no.

THE COMMISSIONER: Excuse me a moment.

MR. ESTEY: And you have referred in your answer to Section 326, which says:

"Where sufficient cause is shown, . . . " -- and I take it from your answer that the discretion granted in the cancellation is sufficient in your opinion to cancel any clubs, I suggest, if the facts turn out that the charter was improperly transferred?

A. Yes, that is my opinion.

Q. In all of your cancellations which you have plotted and charted in your brief have you cancelled any because the charter has been sold?

A. I don't recall ---

THE COMMISSIONER: Well ---

A. --- any such finding.

Q. As a matter of fact, it has not?





1 THE COMMISSIONER: There is no doubt about  
2 that?

3 A. No, I don't recall any. We have --  
4 we try to pinpoint -- at least, I have tried  
5 to pinpoint a specific cause which is very  
6 readily identifiable as a fact. For  
7 example, a conviction, forfeiture of powers.  
8 Those are matters of finding which are  
9 fairly readily established. To determine  
10 the ordinary process of it, of a change of  
11 club, would be somewhat difficult to  
12 establish the facts, but if there is -- if  
13 there were such an instance, and the facts  
14 proved, that would be one of the causes.

15 MR. ESTEY: Now, Mr. ---

16 THE COMMISSIONER: Well, it wasn't one  
17 of the causes in the case of the Queen City  
18 Chess and Bridge Club?

19 A. No, because we asked for a  
20 special -- we asked for a special return  
21 to determine certain things, and they didn't  
22 make the return, so we made the -- we made  
23 the cause failure to make the -- the failure  
24 to make the return.

25 MR. ESTEY: I notice -- do you have a  
26 copy of your brief in front of you, Mr.  
27 Yarenko? At the bottom of page 43 you  
28 deal with this general question. You say:

29 As has been related supra the  
30





The following is a list of the

items

which are to be included in the

report of the committee on the

subject of the proposed

amendment to the

constitution of the

association of the

city of New York.

The committee has the

honor to submit to you

the following report on the

subject of the proposed

amendment to the

constitution of the

association of the

city of New York.

The committee has the

honor to submit to you

the following report on the

subject of the proposed

amendment to the

constitution of the

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city of New York.

The committee has the

honor to submit to you

the following report on the

subject of the proposed



1 "Department had received no complaint or  
2 "report that any such trafficking was of  
3 "concern until the end of December,  
4 "1959, when there was a story in the  
5 "press to that effect."

6 A. You are reading where, Mr. Essey?

7 Q. The bottom of page 48, the last  
8 paragraph of that page, on the right hand  
9 side.

10 A. Yes.

11 Q. You see that?

12 A. Yes, I do.

13 Q. "Immediately thereafter, the Deputy  
14 "Minister had an interview with the  
15 "Chief of the Metropolitan Toronto  
16 "Police who brought this problem to  
17 "the attention of the Deputy Minister."

18 Now, we have seen a considerable number  
19 of files where there have been reports of  
20 transfers of charters, and of course the  
21 latest illustration in your mind is no doubt  
22 the Queen City Chess and Bridge Club? Isn't  
23 that correct?

24 A. I think that is correct.

25 Q. And then at the top of page 49  
26 it continues:

27 "As has been related supra, following  
28 this interview, the Honourable  
29 "Mackinnon Phillips did two things  
30







1 "Immediately: (1) In order to prevent  
2 "any trafficking in such letters patent,  
3 "on February 5th, 1961, he introduced  
4 "legislation providing no social  
5 "club, whenever incorporated, could  
6 "change the location of its premises  
7 "from one address to another without  
8 "the prior consent of the Provincial  
9 "Secretary. (2) In order to catch  
10 "any trafficking in process he  
11 "extended the grounds of cancellation  
12 "for cause to the case where a club  
13 "had lost its corporate powers for  
14 "non-user many years ago and  
15 "thereafter had purported to operate  
16 "after such powers had been  
17 "forfeited."

18 Now, let's deal with No. 1. The amendment  
19 to the Act, which is now 291, I believe came in  
20 in 1961, is that correct?

21 A. April of 1960. It was introduced  
22 in the House in February of 1960, and became  
23 law on April 10th, 1960, I believe.

24 Q. Yes. What is the reference to  
25 February 5th, 1961?

26 A. He introduced the legislation  
27 in the House. That is the Session, the  
28 Legislative Session of 1960. That is an  
29 error. That 1961 should be 1960.  
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Q. Oh, I see. All right.

A. It is a typographical error.

Q. Well, now, that of course made the provision retroactive to cover the clubs which then existed up to this time?

A. The effect -- the effect of it was to make it retroactive.

Q. Yes. And that, I think, is 291 now, no corporation shall, and I am paraphrasing, no corporation shall change the location of any of its premises without the prior consent in writing of the Provincial Secretary. Now, at that immediate time your Department had no record of the address of any charter whose letters patent were issued prior to about 1949, isn't that correct?

THE COMMISSIONER: Repeat that, please.

MR. ESTEY: At the time of the passage of this section, now 291, the Department had no record of the premises of any club incorporated prior to 1949?

A. We may have had the -- we may have had the record, the address of the premises, but there was no statutory provision under the Corporations Information Act, or any other Act to my knowledge, requiring such information to be filed with the Department.



[illegible]



1 Q. That is correct, so that in respect  
2 of those old clubs you knew their head office?

3 A. Yes.

4 Q. Because that is in the return,  
5 or in the report?

6 A. That is correct.

7 Q. But you didn't know the premises.  
8 Now, that being so, this effect of Section 291  
9 in 1960 and in 1961 was either negligible  
10 or none at all, because you didn't know  
11 any status from which they could not move,  
12 is that correct?

13 A. I think it was very effective,  
14 because if subsequent events, if the police  
15 brought to our attention that on such and  
16 such a date the club had occupied certain  
17 premises, and subsequently had moved, that  
18 was a matter which the police could  
19 investigate and bring to our attention.  
20 Then we would -- we would have taken action,  
21 I believe. It is my opinion that that  
22 section was extremely effective.

23 Q. Well, I am not saying that to-day  
24 it is not effective, but I am just trying  
25 to direct your mind to what immediate impact  
26 would the section have when the Department  
27 had no absolute data on the locations of  
28 these older charters at the time it was  
29 introduced. I think you have agreed to  
30



1. The first of these is the fact that the  
2. Government has been unable to secure  
3. the necessary funds to carry out its  
4. policy of non-interference in the  
5. internal affairs of other countries.  
6. This is due to the fact that the  
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28. the necessary funds to carry out its  
29. policy of non-interference in the  
30. internal affairs of other countries.





1 that?

2 A. No, but it froze every club locally  
3 at that spot the club were occupying.

4 Q. Yes, and then afterwards it would  
5 be an easy matter to obtain the data by  
6 changing the regulations under the Corporations  
7 Information Act to add a line to the annual  
8 return form forcing the clubs to reveal  
9 their address, isn't that right?

10 A. Yes, that has been done.

11 Q. And you let them know they would  
12 have to do that?

13 A. That was done. At the end  
14 of August of 1961 ---

15 Q. Yes?

16 A. I issued instructions to the  
17 Deputy Minister to ---

18 Q. Promulgate that regulation?

19 A. No, that we would be taking steps  
20 to introduce that regulation in the following  
21 return. You see, the ---

22 Q. Well, I am going to come to that,  
23 but I would like to deal with the regulation.  
24 Some time in the summer of 1961, I don't  
25 care for the moment just when, you did  
26 cause a regulation to be passed which  
27 required clubs, new and old, to show where  
28 they were in 1960?

29 A. Yes. We amended the filing  
30

B/2





1 regulations under the Corporations Information  
2 Act.

3 Q. And my summary of it is correct,  
4 isn't it?

5 A. Yes.

6 Q. And that of course would affect  
7 the next set of annual returns which would  
8 come in effective March 31st, 1962?

9 A. Yes.

10 Q. Is that right? And they had to  
11 be filed before the 30th of June, 1962?

12 A. Before the 1st of June, 1962.

13 Q. The 1st of June, excuse me, you  
14 are right. So that the effect of that is  
15 that while the statute was amended in early  
16 1960, February or March some time thereabouts,  
17 1960, that it didn't really become operative  
18 against these older clubs until some time  
19 in June, 1962?

20 A. It became operative immediately  
21 on April the 10th, 1960, the statutory  
22 provision.

23 Q. In 1960?

24 A. Yes. The statutory provision  
25 became operative on April 10th, 1960. The  
26 reason for the amendment by the Department  
27 subsequently is that I came to the conclusion  
28 early -- some time early in 1961, through  
29 discussions with the Deputy Minister, that  
30





1. The first part of the report is a general statement of the

2. The second part is a detailed account of the

3. The third part is a summary of the results of the

4. The fourth part is a list of the references

5. The fifth part is a list of the authors

6. The sixth part is a list of the titles

7. The seventh part is a list of the subjects

8. The eighth part is a list of the names

9. The ninth part is a list of the dates

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11. The eleventh part is a list of the times

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25. The twenty-fifth part is a list of the dates

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27. The twenty-seventh part is a list of the times

28. The twenty-eighth part is a list of the names

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30. The thirtieth part is a list of the places



1 apart from relying on the -- on the police to make  
2 reports as to any changes which in fact took  
3 place, that we could -- we could very simply  
4 by amending the form require that, and if  
5 you will see that the dates of occupancy as  
6 of the date preceding April 10th, 1960, and  
7 the present form, a clerk in the office  
8 could by examining it come to the immediate  
9 conclusion that a change of premises had  
10 taken place, and it would be brought to the  
11 attention of the Deputy Minister, who would  
12 cause an investigation to see whether  
13 permission had been obtained for that  
14 change.

15 Q. I am wondering, Mr. Yarenko, as  
16 a result of all these questions, why those  
17 two steps, which are interlocked, were not  
18 taken together?

19 A. I don't -- at the time, in April --  
20 in February of 1960, I doubt whether anybody  
21 believed them to be interlocked. The  
22 idea was to freeze -- I was a member of  
23 the Legislature at that time, was to freeze --  
24 freeze the clubs in the premises it occupied,  
25 and as a matter of fact the regulation has  
26 come to be very helpful. I believe the -- I  
27 think that the -- I think that the statutory  
28 provision is the part that is effective.

29 Q. Well, that is of course the  
30



The first of these is the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.  
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 factors, including the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.





1 bedrock, the other is -- creates the evidence  
2 which makes it easy to enforce the statutory  
3 regulation, isn't that right?

4 A. Hm-hm.

5 Q. In any event -- well, all right.

6 A. Incidentally, a lot of -- a lot  
7 of what I believe are bona fide social clubs  
8 are perhaps unaware of that provision,  
9 although ignorance of the law is no excuse,  
10 there may be instances where corporations  
11 have moved without getting -- without consent,  
12 and I think over the next two years we are  
13 going to have -- the records officer is  
14 going to have perhaps an extra duty on his  
15 hands, without extra pay, sorting out all  
16 these clubs which have been unaware of the  
17 passage of the -- of the statute in April, 1960.

18 Q. Now, let's get on to the second  
19 clause at the top of page 49 which I have  
20 read where the then Provincial Secretary  
21 extended the grounds for cancellation in  
22 order to catch trafficking by cancelling  
23 for non-user clause. Now, under the old  
24 Companies Act which expired in 1953, I believe  
25 Section 27 made forfeiture automatic,  
26 isn't that correct?

27 A. Non-user for two years made  
28 forfeiture automatic.

29 Q. Automatic, but under the  
30



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1 Corporations Act of 1954, and it is still the  
2 way in the law, forfeiture occurs on two  
3 years, plus notice? The Department must  
4 give notice?

5 A. Yes.

6 Q. So that the grounds which the  
7 then Provincial Secretary said would be used  
8 for forfeiture of charter really only applied  
9 for the years prior to 1954, isn't that  
10 right?

11 MR. WILSON: You said two years. I think  
12 it is three years, isn't it?

13 MR. ESTEY: Oh, I am sorry.

14 MR. WILSON: 326.

15 MR. ESTEY: 325.

16 MR. WILSON: 326 too.

17 THE WITNESS: Would you repeat that  
18 question, Mr. Estey?

19 MR. WILSON: I just wanted to clear up  
20 whether it is two years or three.

21 THE COMMISSIONER: Well, I have got big  
22 ears. We all heard it is three.

23 MR. WILSON: I think it is three. 326,  
24 down at the bottom of the page.

25 MR. ESTEY: No, I know. That is not  
26 my question. The one I want -- this might  
27 get very confusing if we try and do two  
28 things at a time. Let's stay with forfeiture.  
29 There is no question, is there, Mr. Yarewko,  
30





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1 that under the old Act, before the 1954 Act,  
2 forfeiture on two years non-user was  
3 automatic, no notice required.

4 A. Yes, that is right.

5 Q. But in your 1954 Act, the subsequent  
6 statute, Section 325 to-day says that on two  
7 consecutive years did not use its corporate  
8 powers, the Lieutenant-Governor may declare  
9 such powers forfeited. Do you see that?

10 A. Yes.

11 Q. So that you have a parallel to  
12 the old Section 27 in the new Act, except  
13 the new Act says the Department must take  
14 the initiative, and therefore I am putting  
15 it to you, and I think you will agree,  
16 that the effect of Dr. Phillips' expansion  
17 of the grounds for cancellation really is  
18 that it applied to these companies which  
19 were not using their corporate powers prior  
20 to 1953, or 1953 and prior? That is  
21 surely correct, isn't it, Mr. Yarenko?

22 A. Now, just a moment, because  
23 there is nothing to prevent the Department  
24 from -- if a matter involving a state of  
25 trafficking is brought to the attention of  
26 the Provincial Secretary's office at the  
27 present time and this -- and the corporation  
28 involved had not used its powers for two  
29 years, two years post -- post-1954, the  
30



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1 Provincial Secretary is, through the Lieutenant-  
2 Governor is empowered to declare the corporate  
3 powers forfeited, and a corporation without  
4 corporate powers cannot do very much.

5 Q. But you do that if he gives  
6 notice?

7 A. Yes.

8 Q. I am not talking about that, I  
9 am talking about the cancellation of charter  
10 for failure to exercise their powers. The  
11 prohibited period under the old Act you  
12 merely cancel. You have seen fifteen or  
13 twenty cases?

14 A. Yes, I have.

15 Q. Yes. So the effect of the new  
16 Act is limiting that extension to the old  
17 charters?

18 A. Yes, which you can see were  
19 causing the trouble.

20 Q. Now, why is it -- why is it, Mr.  
21 Yarenko, when faced with this continuing  
22 problem which we see, and which Mr. Roberts  
23 described as being a serious problem, why  
24 is it that the old Section 27 is not in the  
25 present Act?

26 A. Well, at that time -- if a year  
27 from now you asked me why the legislation  
28 passed by the House was not in effect to-day,  
29 I would say that it was not considered at  
30



THE GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

OFFICE OF THE SECRETARY

NEW DELHI

1. The following is a list of the

names of the

officers who

are attached to the

Headquarters of the

Department of

Defence, and

who are entitled to

the privilege of

passing through the

check post at the

entrance to the

premises of the

Department of

Defence, and

who are entitled to

the privilege of

passing through the

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Department of

Defence, and

who are entitled to

the privilege of



1 the time.

2 Q. But you had been using the old  
3 Section 27 day in and day out in your  
4 Department, right?

5 A. That is right.

6 Q. But it is not in the present Act,  
7 isn't that right?

8 A. I don't -- I don't understand  
9 your question, it is not in the present Act.

10 Q. You don't have any powers in the  
11 present Act that you can make cancellations  
12 like you used to have in the old Act, isn't  
13 that right?

14 A. No, there isn't. There was a  
15 recommendation by the Select Committee of  
16 the Legislature who constituted the old  
17 Companies Act, and came to the conclusion  
18 that such an amendment should be made.

19 Q. That was in the '53-4 period?

20 A. Yes.

21 Q. And it has not been considered in  
22 your time that it should be reinstated?

23 A. That is correct. It has not  
24 been considered. No problem has arisen. No  
25 problem to my mind had arisen which necessitated  
26 discussion on that line.

27 Q. And yet we have seen, for example  
28 look at the Parthenon Club, we have had  
29 evidence of that place, and the Department took  
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1 action because of the old forfeiture under the  
2 old Act. It is a very convenient, quick way  
3 to cancel a charter, isn't it?

4 A. The forfeiture took place prior  
5 to 1954.

6 Q. Yes.

7 A. We have no evidence that there was --  
8 that at least the forfeiture, rather, I am  
9 meaning questionable evidence. I haven't  
10 made a finding yet, Mr. Estey. We allege --  
11 we think there is going to be a hearing at  
12 some date when we will allege that there  
13 was a forfeiture of powers during some  
14 period prior to 1954.

15 Q. Without asking you to improperly  
16 forecast, it is your opinion there are many  
17 for cause gone through, in any event, and  
18 on that, on a finding, properly finding  
19 cause, there has been forfeiture, automatic  
20 forfeiture?

21 A. Well, we have -- we didn't find  
22 it automatically. We found it as a fact  
23 that there had been a forfeiture, and that  
24 constituted sufficient cause, therefore  
25 cancellation ensued.

26 Q. Well, let's take the Preston  
27 Amateur Athletic Club of Ottawa. Do you  
28 remember that was a clear-cut cold case of  
29 somebody filing returns with a five-year-old  
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1 vice-president, a four-year-old secretary-  
2 treasurer, and partner, with records being  
3 found in the premises, a very lengthy report  
4 from the police, and in that case there was  
5 forfeiture of the charter because the old Act  
6 said you could -- and there was automatic  
7 cancellation, isn't that a case in point?

8 A. Well, I recall that, and -- yes.  
9 The cause was it was -- it would appear that  
10 the above corporation did not for two  
11 consecutive years prior to 1954 use its  
12 corporate powers, and that therefore its  
13 corporate powers were forfeited under  
14 Section 27 of the Companies Act. A hearing  
15 was held, evidence was taken, and ---

16 Q. All right. Well, then, that  
17 clearly is a good case where the Department  
18 had considerable evidence of other matters,  
19 but it was cancelled because of the power  
20 of this underlying forfeiture. Of course,  
21 it had been there for some time, hadn't it?

22 A. Prior?

23 Q. The non-use had occurred some  
24 time before?

25 A. Oh, yes, it did. It may have  
26 occurred at any time prior to 1954.

27 Q. Well, now, -- yes, and in that  
28 case it did?

29 A. Yes.  
30





1 Q. There were other instances down  
2 through the years, and that is the file where  
3 the president decided that he would rectify  
4 it in a practical sense, and he went and saw  
5 Mr. Dunbar, and then he filed seventeen or  
6 eighteen returns, you remember. Well, now, I  
7 would like you to return, and Mr. McCormack  
8 may be good enough to put before you the file  
9 of the Somerset Club.

10 MR. MCCORMACK: You have it, Mr. Estey.

11 THE WITNESS: I may say, my lord, that  
12 to my knowledge there has not been brought  
13 to my attention any -- any of this type of  
14 trafficking where there would appear to have  
15 been a loss of -- at least, a loss of corporate  
16 powers in the past four years. I do can't  
17 recall any such instance.

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19 (Page 13415 follows)  
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C/L/PAL

1 MR. ESTEY: Q. My point in indicating  
2 that, which I will come back to, Mr. Yaremko,  
3 that illustration of the Preston Club, where  
4 the charters were cancelled for a rather  
5 technical and dry reason in the face of a  
6 rather bizarre circumstance depicted in the  
7 police report, is somewhat analogous to  
8 income tax convictions of American criminals  
9 when they could not convict them on the main  
10 crime.

11 A. Cancellation for one cause is  
12 just as effective as any other.

13 Q. It electrocutes the company?

14 A. Yes.

15 Q. That is why I am asking the  
16 questions.

17 Let us look at the Somerset file, Mr.  
18 Yaremko. The first police report - I do not  
19 propose to go through the C file.

20 This is a corporation, Mr. Commissioner,  
21 which started in January, 1936, and is limited  
22 to the County of York and the powers of the  
23 usual social club at that time.

24 Q. The first police report --

25 THE COMMISSIONER: Is this one you  
26 reviewed earlier?

27 MR. ESTEY: No, it is not. I am not  
28 going to cover any old ground.

29 Page 77 of the brief.  
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1 A. I may say, my lord, this is  
2 an instance where, apart -- that this is a  
3 matter which is presently before me as  
4 Provincial Secretary.

5 Q. The first police report you will  
6 find bears a date of 18th July, 1960, and it  
7 reached your Department, as near as I can tell,  
8 with a covering letter dated the 22nd of  
9 July, 1960. This was a police report on an  
10 application for supplementary letters patent  
11 to transfer from Bathurst Street to 805 Wilson  
12 Avenue. Do you see that?

13 A. Yes, I have that report, Mr. Estey.

14 Q. Then, in the fifth or sixth  
15 paragraph on page 1 it appears the main purpose  
16 of the proposed move is to hinder the police  
17 in obtaining the evidence of suspected and  
18 alleged gambling activities.

19 THE COMMISSIONER: What is the date of  
20 the report?

21 MR. ESTEY: 18th July, 1960.

22 Q. The report is made by whom?

23 A. Acting Inspector Priestley to  
24 Chief Mackey, and Chief Mackey included the  
25 report in a letter in which Chief Mackey concludes  
26 his letter by saying:

27 ". . . I strongly oppose the granting  
28 "of the desired permission and at the  
29 "same time strongly recommend that the  
30



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1 "Charter held by this social club  
2 "be cancelled."

3 Q. Then, page 2, just going briefly  
4 through the first report and, then, the  
5 second. Page 2, Mr. Yarenko?

6 A. Just before that, the next two  
7 paragraphs, say, Mr. Estey:

8 " Many Orders for Search,  
9 "both gaming house and betting  
10 "house, have been executed on  
11 "these premises over the past  
12 "eighteen months but without  
13 "obtaining sufficient evidence to  
14 "justify charging the Club and the  
15 "members thereof before the Courts."

16 Q. Let us pause there. I take it  
17 it is still your policy you may cancel a charter  
18 when there is evidence of gambling but insufficient  
19 to warrant the laying of a charge?

20 A. Yes.

21 Q. The next paragraph you were  
22 going to read:

23 " It does appear, however, that  
24 "the Club premises are used as a  
25 "meeting place for professional  
26 "gamblers and their associates.  
27 "This statement is borne out by an  
28 "examination of the records of the  
29 "persons found on the Club premises  
30







1 "during visits by the police in  
2 "the first three weeks of June,  
3 "1960."

4 At the top of page 2, Mr. Yaremko,  
5 you will notice:

6 "Eleven of these individuals are  
7 "shown on the records of the  
8 "Metropolitan Toronto Police."

9 A. Which paragraph are you reading?

10 Q. The top of page 2, the first  
11 paragraph. Would you read to the Commissioner  
12 the second paragraph at the top of page 2 and  
13 the third paragraph?

14 THE COMMISSIONER: Well, you read it.

15 MR. ESTY: "With one exception, the  
16 "foregoing data indicates a proclivity  
17 "for gambling or betting on the part  
18 "of those named and substantiates  
19 "the previous submission that the  
20 "Somerset Club is a rendezvous for  
21 "members of the gambling fraternity.

22 " It is submitted, that if  
23 "permission is granted to the Somerset  
24 "Club to change their location to  
25 "the proposed site at 805 Wilson  
26 "Avenue, it will be of the utmost  
27 "diservice to this Department in  
28 "its efforts to combat illegal  
29 "gambling and betting. It is therefore  
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1 "recommended that the Deputy  
2 "Provincial Secretary be urged  
3 "not to grant this permission.

4 " It is also recommended  
5 "that consideration be given to  
6 "petitioning the Honourable  
7 "Provincial Secretary to cancel  
8 "the charter of the Somerset Club  
9 "for the reasons stated above."

10 Q. That is in the July, 1960, report,  
11 Mr. Yarenko?

12 A. Yes. That is a copy of the report  
13 of Inspector Lewis.

14 Q. Then, the report goes on in  
15 great length to give the statements of people  
16 on the premises. I direct your attention --

17 A. I wonder perhaps, Mr. Commissioner, --  
18 I do not know -- We are subject here to  
19 direction. Perhaps the whole of the report,  
20 which is ten pages, should be filed as an  
21 exhibit rather than reading it.

22 THE COMMISSIONER: That will be helpful.  
23 We will have a copy stricken off and entered  
24 as an exhibit.

25 MR. ESTEY: Yes, that would be the best  
26 way to do it. We have a copy which is already  
27 filed by the police but it is not an exhibit.

28 THE COMMISSIONER: Well, we will have  
29 my secretary run off copies.  
30







1  
2 MR. ESTEY: Q. In order to shorten the  
3 time to complete this examination, Mr. Yaremko:  
4 Suffice it to say, this report, then, at the  
5 bottom of page 2, then, deals with the inter-  
6 views which the officer conducted with the  
7 original applicants of the charter to show  
8 there had been something improper about the way  
9 in which they obtained this charter, and I  
10 direct your attention to the foot of page 2  
11 where there is an interview with Mr. Thomas Ince  
12 Anderson. Do you see that?

13 A. Yes.

14 Q. The last line on the page says:

15 "I was approached by a lawyer  
16 "who had an office in the same building,  
17 "and whose name I cannot remember.  
18 "This lawyer asked me if I would let  
19 "my name be used as an applicant  
20 "for the Somerset Club charter. I  
21 "did this in the hope that this  
22 "lawyer would return the favour and  
23 "direct some insurance business to  
24 "me. After the charter was  
25 "obtained, I was made an honorary  
26 "member, and I remember that the  
27 "club had its location somewhere  
28 "on Queen St.W., in the vicinity  
29 "of Bay St. I was in the club rooms  
30 "twice and on both occasions gambling







1 "was being conducted, so I never  
2 "went back."

3 THE COMMISSIONER: Who is that man  
4 speaking?

5 MR. ESTEY: That man is Thomas Ince  
6 Anderson. He is listed as an original  
7 applicant for the charter.

8 Then, in the middle of page 3 Mr. Harry  
9 Caesar was interviewed. In part he said:

10 "I have never been a member of  
11 "the Somerset Club nor have I  
12 "ever allowed my name to be used  
13 "in any connection with this club.  
14 "There were no other Caesar  
15 "families living at -- "

16 the address which shows in the application --  
17 "or at any time to my knowledge."

18 Then, Mr. Bernard Roman is interviewed  
19 to the same effect, and so on.

20 The report, then, goes into a description  
21 of a great number of people who frequent the  
22 premises and sets out their records. I think  
23 that carries right through to page 8.

24 Then, on page 9 the officer summarizes  
25 and this, I think, is important, Mr. Yarensko.  
26 The summary of the foregoing pages says in  
27 part, and I am reading at the top of page 9:  
28

29 "Although the Club returns  
30 "have been filed in the correct

[illegible]





1 "manner each year, except for  
2 "the 1947 annual returns which  
3 "were filed on September 8,  
4 "1948, after a warning from the  
5 "Provincial Secretary's office,  
6 "the following discrepancies came  
7 "to light upon comparing the annual  
8 "returns with statements made by  
9 "a member and former members of  
10 "the Club. These discrepancies  
11 "are as follows:"

12 And he lists four. He deals with Mr.  
13 Anderson's report, which I have dealt with;  
14 Mr. Caesar's report; Mr. Roman's report and,  
15 finally, Mr. Henry Wortzman, No. 4, in the middle  
16 of page 19.

17 "Mr. Henry Wortzman is listed as  
18 "Secretary and Secretary-Treasurer  
19 "from 1941 until 1950 inclusive.  
20 "Mr. Wortzman states that he was  
21 "only employed by the club from 1936  
22 "until 1940 as the club Steward,  
23 "and after that time he had no  
24 "connection with the club. However,  
25 "it is only after Mr. Wortzman left  
26 "the club did his name appear as  
27 "Secretary. Mr. Wortzman also  
28 "states that if his name was used  
29 "after 1940 it was without his  
30







"permission and authority."

With that report on file, with apparent violations of the Corporations Information Act, perhaps also the Corporations Act, is that the policy of the Department, to hold an inquiry to see right then and there --

A. Let us see what happened. On July 25 there was a memorandum from Mr. Margolian, one of our solicitors in the Department, to Mr. Cadney. There is a procedure we follow in the Department, I am sure you will be interested in seeing this, and his report dated July 25, 1960, your lordship, is as follows:

" I have examined the attached  
"file and the report of the  
"Metropolitan Toronto Police.

" While the police are strongly  
"opposed to the granting of permission  
"by this Department for the removal  
"of the club from its present premises  
"at 4140 Bathurst Street to 805  
"Wilson Avenue, the following comments  
"are considered pertinent:

" 1. There is no evidence in this  
" report that the powers of  
" the corporation were forfeited  
" under Sec.27 of The Companies  
" Act.





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1 " 2. While many orders for search  
2 " have been executed against  
3 " the club over the past eighteen  
4 " months, no evidence has been  
5 " obtained considered sufficient  
6 " to charge the club and its  
7 " members before the courts.

8 " 3. Inspections of the premises  
9 " at 805, Wilson Avenue, have  
10 " been made by the Building  
11 " Commissioner, the Planning  
12 " Director, the Fire Chief, and  
13 " the Medical Officer of Health  
14 " of North York Township, and  
15 " none of these opposed the  
16 " proposed move of the club to  
17 " the new premises."

18 THE COMMISSIONER: Q. He had inspection  
19 by the Fire Chief, the medical officer of health,  
20 the building commissioner?

21 A. The medical officer and the planning  
22 director. They had inspected the proposed  
23 premises, 805.

24 Q. Wilson Avenue?

25 A. Yes.

26 MR. ESTER: Q. Is that the end of the  
27 memorandum?

28 A. That is the end of the memorandum.  
29 Perhaps your lordship would be interested:  
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1 On page 9 of the report, this is from the police  
2 report, it says:

3 " Investigation at the proposed  
4 "club premises reveals that the  
5 "location of this club on the  
6 "third floor of the building would  
7 "seriously impede police investigations  
8 "due to the fact that several flights  
9 "of stairs would have to be traversed."

10 The premises were, in their opinion, going  
11 to be much harder to police than the present.

12 THE COMMISSIONER: Q. And the fire chief  
13 and the planning -- building inspector, and so  
14 on, they would not be directing their thoughts  
15 to the facility that the police might have or  
16 would not have on a raid?

17 A. No, they would be directed to  
18 their own particular fields.

19 MR. ESTEY: Q. Is there any discussion  
20 in that memorandum, I think you have read it  
21 all, about this recommendation that the charter  
22 be cancelled?

23 A. No.

24 Q. The application before the house  
25 was to move the address, and that is dealt with;  
26 but, was there any discussion by Mr. Margolian  
27 of the strong recommendation of the police that  
28 it be cancelled?

29 A. Now, the next --  
30







1 Q. Excuse me.

2 A. No, there is no recommendation  
3 on the file.

4 Q. No recommendation of what?

5 A. There is no recommendation respecting  
6 cancellation. There is no recommendation made  
7 by Mr. Margolian one way or the other in respect  
8 of anything.

9 Q. He does not deal with it one way  
10 or the other?

11 A. No, he brings out certain facts  
12 for the attention of the Deputy Minister.

13 Q. At that time you were on notice  
14 from the police that somebody had filed some  
15 false returns. Is that right?

16 A. The police in their report alleged  
17 certain things.

18 Q. That is not dealt with by Mr.  
19 Margolian but you were not aware and are aware,  
20 of course, that there is an express offence  
21 created under The Corporations Information Act  
22 wherein not only is the corporation punishable  
23 but the man who makes the statement is punishable.  
24 Is it the policy of the Department to enforce  
25 that provision in circumstances such as these?  
26 This is back in 1960.

27 A. Up to now we are dealing with  
28 allegations of the police, Mr. Estey.

29 Q. That is right.  
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THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS

1955-1956

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS

1955-1956

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1  
2 THE COMMISSIONER: Q. That is what he  
3 is directing attention to.

4 A. Mr. Gudney, by a letter of July  
5 26 to Chief Mackey, stated as follows:

6 " I have your letter of July 22,  
7 "with attached report relative to the  
8 "above club.

9 " I would advise that in view of  
10 "your report the Provincial Secretary  
11 "will not give his consent to changing  
12 "the location of the club premises  
13 "from 4140 Bathurst Street to 805  
14 "Wilson Avenue.

15 " We have also given consideration  
16 "to the cancellation of the charter of  
17 "this club, and to this end I have  
18 "required the club to produce all its  
19 "books for our inspection."

20 MR. ESTEY: Q. I am going to deal with  
21 that special return request. My original  
22 question, which I would like answered, is:  
23 At this stage of the game why does not the  
24 Department, as a matter of general policy and  
25 why did not it, as a matter of specific policy,  
26 invite the police to assist you in the enforce-  
27 ment of the two statutes which had been violated?

28 A. Mr. Gudney, apparently, was taking  
29 steps to check whether the police --

30 Q. The police report was correct?



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1           A.       Yes, whether the police report  
2 could be substantiated.

3           THE COMMISSIONER: Asking for some  
4 special returns would not advance that question  
5 very much. You have these men saying they  
6 never were -- one was induced to become a  
7 member -- What did the second man say?

8           MR. ESTEY: They had no authority to  
9 use his name, he denied he ever was a member,  
10 the second man; the third man, the same for him;  
11 and the fourth man said he was the steward but  
12 left and if they used his name in 1940 they  
13 did so without authority.

14           THE COMMISSIONER: Q. Getting special  
15 returns would not probe into the problems  
16 arising from what these men said?

17           A.       That is true, but the books would  
18 indicate what had transpired within the club,  
19 so far as the books of the club were concerned.

20           Q.       Naturally.

21           MR. ESTEY: Q. But, then, you would  
22 find more of the same, you would find Caesar,  
23 Roman and Wortzman on the records of the club  
24 and that would not answer the original police  
25 charge.

26           A.       No, it wouldn't.

27           Q.       What happened as a result of the  
28 requisition for special returns?

29           A.       I imagine it was made and, then,  
30







1  
2 there is a report from Mr. Lavine to me dated  
3 the 5th day of February, 1961.

4 Q. That is some time later. Is  
5 there anything in between? This report was  
6 in July; Mr. Gudney's memorandum I think was  
7 in July. In the intervening seven months  
8 what happened?

9 A. There is nothing on file, Mr.  
10 Batay. I assume in the meantime, the request  
11 having gone forward, that the return was made  
12 and they were studied by the director of  
13 companies, who subsequently made the report  
14 to me. I assume that was taking place in  
15 the interval.

16 Q. Does the report which you are  
17 about to read deal with the special return?

18 A. Yes, it does.

19 Q. Would you be good enough to read  
20 that, please?

21 A. It is a memorandum dated the 5th  
22 of February, 1961, from Mr. Lavine to myself,  
23 and he is referring to the request to change  
24 the premises. He states:

25 "... the City Police requested

26 "that the charter be cancelled.

27 " A copy of the City Police

28 "report dated July 18 is attached.

29 "In the report it is indicated

30 "that many orders for search were





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1 "executed on the premises, but  
2 "apparently there was no sufficient  
3 "evidence obtained to justify a  
4 "charge. The City Police based  
5 "their request for cancellation  
6 "on the grounds that the premises  
7 "are apparently frequented by  
8 "professional gamblers.

9 " Subsequent to the police  
10 "report this Department obtained  
11 "production of all the corporate  
12 "records. These were produced  
13 "and they related to matters  
14 "commencing in January 1951.

15 " I have examined the records  
16 "and there is nothing from these  
17 "produced that would give this  
18 "Department a basis for cancelling  
19 "the charter on the basis that there  
20 "had been a forfeiture of the  
21 "corporate powers prior to 1954  
22 "when the new Act came into force."

23 Q. That, of course, was never mentioned  
24 by the police, was it, Mr. Yaremko? There was  
25 no allegation of forfeiture?

26 A. No, there was not; but that  
27 would be a matter which I assume Mr. Lavine,  
28 having the report before him, would be considering;  
29 all aspects of the report. I would assume that  
30



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1 is what he would be doing. On the basis of  
2 his experience he would go into the matter  
3 to see whether there was some cause which may  
4 not have -- The minds of the police may not  
5 have been directed to and that is presumably  
6 why he included that paragraph.

7 Q. Then, I interrupted you.

8 A. "In these circumstances, I  
9 "would request your advice as to  
10 "what action, if any, should be  
11 "taken by the Department in this  
12 "case."

13 Q. Before we get to the next stage  
14 in the file, the police report -- the police  
15 recommendation, of course, was not based upon  
16 the frequenting of the premises by known  
17 gamblers. If you turn to page 9 of the police  
18 report, and, then, again to page 10, you will  
19 see this, after all we have talked about of  
20 the police returns, the officer says:

21 " It would appear from the  
22 "above statements that the annual  
23 "returns of the club in some instances  
24 "were falsely filed, and it is there-  
25 "fore not a bona-fide social club.

26 " From investigations conducted  
27 "since the year 1954, it has been  
28 "shown that this club has developed  
29 "into a large scale gambling  
30







1 "organization, frequented by  
2 "known criminals and gamblers."

3 And the final paragraph says, on page 10:

4 " In view of the foregoing,

5 "I strongly oppose the granting

6 "of permission for the Somerset

7 "Club to change their club premises

8 "from 4140 Bathurst Street to 805

9 "Wilson Avenue, and I also strongly

10 "recommend that representations be

11 "made to the Provincial Secretary's

12 "Department for the cancellation

13 "of the Charter held by this club."

14 That is the conclusion of the July, 1960,  
15 police report.

16 A. Yes.

17 Q. What happened?

18 A. That is a report -- There were  
19 two reports because the July 18 report by Mr. --  
20 by Acting Inspector Priestley contains a  
21 report of Inspector Lewis who was in charge of  
22 that division. He also had that paragraph  
23 in which he said:

24 "It is also recommended that

25 "consideration be given to petitioning

26 "the Honourable Provincial Secretary

27 "to cancel the charter of the

28 "Somerset Club for the reasons

29 "stated above."  
30







1 And he had stated certain reasons.

2 Q. Then, you received a report from  
3 Mr. Lavine on the 8th of February, 1961. I  
4 take it that report came to you from Mr.  
5 Lavine and not Mr. Gudney because Mr. Gudney  
6 was away?

7 A. Yes, I would assume that.

8 Q. What did you do with the  
9 memorandum, Mr. Yaremko?

10 A. I discussed -- I am speaking  
11 now, my lord, from recollection. I discussed  
12 the matter with Mr. Lavine, having read the  
13 reports, and this was the first instance to  
14 my recollection, I think, although I do not  
15 know where the Sun Sun -- whether the Sun Sun,  
16 if it is in this -- previous or subsequent  
17 to this. My own mind -- My own thinking  
18 had not been gelled as yet as to the action  
19 that I would take where there was -- where  
20 there was not a conviction but where there  
21 was an element of illegal gaming involved.  
22 It seemed to me that I had a recollection of  
23 Mr. Dunbar making a statement in the House ~~that~~  
24 at some time prior that the Provincial Secretary  
25 should not usurp the functions of a magistrate  
26 or a county court judge. I read the reports  
27 again and it seemed to me that if we were to  
28 hold a hearing there was a good chance that  
29 the evidence which would be produced would not  
30

[illegible]





1 be sufficiently strong upon which the Provincial  
2 Secretary, myself, could make an order for  
3 cancellation. So, I called Chief Mackey up  
4 on the telephone, I think it was my first  
5 instance of having discussed directly any  
6 club matters, although I had cancelled a  
7 number prior <sup>to</sup> this, and I had a conversation  
8 with him in which I indicated to him that I  
9 believed that the report did not disclose  
10 sufficient things which could be proved at a  
11 hearing upon which I could make an order of  
12 cancellation and I suggested to him that,  
13 in view of the fact that they had been --  
14 that the club had been refused premises and  
15 were on the same premises, to which apparently  
16 the police did not have too much difficulty  
17 gaining admission, that he should continue  
18 to visit the club from time to time -- or, have  
19 the proper officers visit from time to time  
20 to obtain, what I called, some more hooks --  
21 I used this expression, some hooks upon which  
22 I could hang a hat of cancellation upon.  
23 I forget the length of the conversation but  
24 it took a considerable time, because we  
25 discussed not only this club but in general  
26 clubs and some of the problems that confronted  
27 the Provincial Secretary. He told me some  
28 of his problems. It was the first time we  
29 had a rather lengthy conversation and I indicated  
30







1 to him, on the basis of the material I had,  
2 and having discussed it with the director  
3 of companies, I would not cancel it at that  
4 time.

5 I may say that very recently reports  
6 have come to the Department which have indicated  
7 a surveillance by Chief Mackey and his Force  
8 during a period since this time.

9 Q. As I understand you and as I see  
10 the file, there is no answer on the file to  
11 the memorandum but following that, on the 20th  
12 of February, twelve days later, Mr. Lavine  
13 sent back to the club the books and records  
14 they had submitted, and that is as far as  
15 the correspondence on the file seems to go.  
16 That letter is the 20th of February, 1961.

17 A. Yes.

18 Q. Then, Mr. Yarensko, I see there is  
19 a letter from the Metropolitan Toronto Police  
20 of the 12th July, 1962, submitting a detailed  
21 report by Inspector Thurston. That takes  
22 us down to this summer. Do you see that?

23 A. Yes, I have it before me.

24 Q. The report itself is dated the  
25 11th of July, 1962.

26 That report, Mr. Commissioner, I would  
27 like filed as an exhibit as well. This is  
28 probably the most helpful police report on  
29 all these files because it weaves together these  
30





The first of these is the fact that the system is not a simple one. It is a complex one, and it is one that is not easily understood. The second is the fact that the system is not a simple one. It is a complex one, and it is one that is not easily understood. The third is the fact that the system is not a simple one. It is a complex one, and it is one that is not easily understood.



1 activities by people and by clubs, it pulls  
2 them all into focus.

3 THE COMMISSIONER: Make the two reports  
4 one exhibit. Identify them as A and B.

5 THE WITNESS: My lord, may I just bring  
6 to your attention that this report of July  
7 the 11th may form the basis of action by  
8 the Provincial Secretary. This is -- This  
9 report is now before the Provincial Secretary  
10 for consideration as to action he may take.

11 MR. ESTEY: Now, Mr. Commissioner, this  
12 report is very enlighteningly detailed and  
13 I find it difficult to fairly excerpt from it  
14 and read; and, therefore, with the permission  
15 of the Commission I will read this report and  
16 save the witness reading it. It relates to  
17 a great number of the clubs we have been  
18 discussing. On the 11th of July, 1962, Inspector  
19 H.J. Thurston reported to Chief Mackey:

20 " With reference to the above  
21 "mentioned club, I respectfully  
22 "submit the following report which  
23 "is in addition to a report  
24 "previously submitted to the  
25 "Provincial Secretary, by this  
26 "Department, in July, 1960/"  
27 "That is the first report which I read  
28 this morning.

29 " First, I would like to draw  
30







1 "attention to one, Harry Eisea,  
2 "1411 Eglinton Avenue West, who  
3 "is mentioned in paragraph 2, page  
4 "4 of the report submitted in July,  
5 "1960. Harry Eisea appeared,  
6 "on the annual returns, as the  
7 "secretary-treasurer of the Somerset  
8 "Club for the years 1955 to 1958  
9 "while it was located at 431 Spadina  
10 "Avenue. He also appeared as  
11 "secretary-treasurer of the Bellevue  
12 "Club at 431 Spadina Avenue when  
13 "it gained possession of these premises  
14 "following the move of the Somerset  
15 "Club to its present location at  
16 "4140 Bathurst Street. At the  
17 "present time, Harry Eisea is facing  
18 "trial on conspiracy charges concerning  
19 "betting houses. He is one of six  
20 "accused involved in the operation  
21 "of several ex-chartered social  
22 "clubs, namely: West End Bridge  
23 "Club, Columbia Bridge and Social  
24 "Club, Divian Club, and, of course,  
25 "Bellevue Social Club whose charter  
26 "is still valid.

27 " Since the adverse report was  
28 "submitted to the Provincial  
29 "Secretary in July, 1960, officers  
30



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1 "From the Morality Bureau and  
2 "Number 17 Division have executed  
3 "many Orders for Search on the  
4 "premises of the Somerset Club.  
5 "The following observations and  
6 "investigations have been made and  
7 "are, I believe, worthy of a great  
8 "deal of attention:  
9  
10 " On Saturday, August 20th,  
11 "1960, officers from the Morality  
12 "Bureau executed an Order for Search  
13 "on the Somerset Club, and immediately  
14 "prior to entering, they overheard  
15 "Sol Bernstein, club steward, giving  
16 "out baseball scores over the telephone.  
17 "This same Sol Bernstein was also  
18 "a member of the Clarion Club and the  
19 "Atlas Club.  
20 " On Friday, September 15th, 1960,  
21 "officers from Number 17 Division  
22 "executed an Order for Search on the  
23 "Somerset Club premises. Seven  
24 "persons were present, and among them  
25 "were Albert James Stoutley, 1300  
26 "Eglinton Avenue West, Apartment 1,  
27 "and Victor Chernick, 80 Walmer  
28 "Road. Both these men stated that  
29 "they were club members. On many  
30 "occasions, Stoutley was found on the





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1 "premises of the Bellevue Club,  
2 "431 Spadina Avenue. He also  
3 "identified himself as a member  
4 "of the Somerset Club.

5 " On Sunday, April 2nd, 1961,  
6 "officers from Number 17 Division  
7 "executed an Order for Search on the  
8 "Somerset Club. Among those present  
9 "was Sydney Traister, 157 Jameson  
10 "Avenue, Apartment 405, who  
11 "identified himself as a club member.  
12 "This is verified by his club  
13 "membership on file. Traister was  
14 "also a member of the Clarion Club,  
15 "501 Yonge Street, Club Bernard, 560  
16 "King Street West, . . . "

17 whose address we saw the other day on three  
18 occasions -

19 ". . . Atlas Club, 287 Spadina Avenue,  
20 "and the Bellevue Club, 431 Spadina  
21 "Avenue. His name also appeared  
22 "as a visitor to the Jordan Club,  
23 "154 Adelaide Street West.

24 " On Friday, September 2nd, 1960,  
25 "an investigation was conducted on  
26 "the premises of the Clarion Club,  
27 "501 Yonge Street, by officers from  
28 "Number 1 Division. This resulted  
29 "in the arrest of Samuel Sokalsky  
30







1 "and Edward Eizen on charges of  
2 "Keep a Common Betting House and  
3 "Engage in Bookmaking. They  
4 "appeared in court on November 1st,  
5 "1960, before His Worship, Magistrate  
6 "G.A. Theburn, when Eizen was con-  
7 "victed on the betting house charge  
8 "and was fined \$500.00 or three  
9 "months imprisonment. The remaining  
10 "charge of Engage in Bookmaking was  
11 "withdrawn. All charges against  
12 "Sokalsky were dismissed.

13 " It was noted, from observations  
14 "taken on the Clarion Club premises  
15 "immediately before the arrest, that  
16 "Sydney Traister was absent, and it  
17 "was believed that he was recording  
18 "bets which were taken on the club  
19 "premises and other known betting  
20 "establishments. Subsequently,  
21 "on September 13th, 1960, a warrant  
22 "was executed at the home of Sydney  
23 "Traister, 157 Jameson Avenue, Apart-  
24 "ment 405, by officers from Number  
25 "1 Division. As a result, Traister  
26 "was arrested on charge of Record  
27 "or Register Bets and Engage in  
28 "Bookmaking. Betting sheets for a  
29 "four-day period, totalling \$65,000.00  
30





1 "in bets on various sports and  
2 "horse races, were seized. Many  
3 "well known bettors' names appeared  
4 "on these betting sheets, and listed  
5 "thereon was the name of the Jordan  
6 "Club, showing a \$1,000.00 bet and  
7 "\$500.00 of this was laid off with  
8 "the Somerset Club. There can be  
9 "no doubt that this was in relation  
10 "to the Somerset Club at 4140 Bathurst  
11 "Street as this is the only club by  
12 "that name. The Somerset name  
13 "also appeared on the pay-off sheet.  
14 "(These sheets are still available  
15 "for examination.)

16  
17 " Sydney Traister appeared in  
18 "court on November 3rd, 1960, before  
19 "His Worship, Magistrate C.A. Thoburn,  
20 "when he pleaded guilty to the charge of  
21 "Record or Register Bets and was fined  
22 "\$200.00 or 40 days imprisonment.  
23 "A four-day business of \$65,000.00  
24 "would indicate a yearly turnover  
25 "of approximately \$6,000,000.00.  
26 "When Traister was questioned regarding  
27 "the person for whom he was writing,  
28 "he stated 'I don't know. I meet  
29 "a man at Yonge and Gerrard, or some  
30 "other downtown corner, once a week,







1 "and get paid there."

2 " Sydney Traister was also  
3 "present on the Somerset Club premises  
4 "on several other occasions, and he  
5 "stated that he was a member of  
6 "the club, which is corroborated  
7 "by his membership card on file on  
8 "the premises. As well as being a  
9 "member of the Somerset Club and the  
10 "Clarion Club, Traister was a member  
11 "of Club Bernard and a guest at the  
12 "Jordan Club; the latter three clubs,  
13 "of course, all being dissolved  
14 "following convictions on betting house  
15 "charges.

16  
17 " On Friday, May 25th, 1962,  
18 "at approximately 9.15 p.m., officers  
19 "from Number 17 Division executed  
20 "an Order for Search on the Somerset  
21 "Club premises, and present was  
22 "one, Ruben Stein, 102 Laurelcrest  
23 "Avenue. He identified himself as  
24 "a club member. This is the same Ruben  
25 "Stein who was observed, by Number  
26 "1 Division officers, to contact two  
27 "known bookmakers in the downtown area  
28 "and then proceed, by auto, to 353 Betty  
29 "Ann Drive, where he parked his car  
30 "some distance away and proceeded







1 "to these premises on foot.

2 " On Tuesday, March 28th, 1961,

3 "at approximately 3.40 p.m., officers

4 "from Number 1 Division executed an

5 "Order for Search on the premises

6 "at 353 Betty Ann Drive, and the

7 "investigation resulted in the arrests

8 "of Ruben Stein, Martin Wolfish and

9 "Pearl Wiseman on charges of Keep a

10 "Common Betting House, Record or

11 "Register Bets and Engage in Book-

12 "making. Also charged by summons were

13 "Sam Band and Freda Band, 353 Betty

14 "Ann Drive. Sam Band was not

15 "present when entrance was first

16 "gained, but arrived shortly after,

17 "and as his wife, Freda Band, was under

18 "the doctor's care, they were not

19 "arrested. This address was the

20 "site of a very large operation,

21 "and large bets were received on two

22 "telephones from many points outside

23 "Toronto, including points in

24 "United States."

25 The next paragraph deals with the  
26 hearing of these charges. Then, the report  
27 goes on:

28 " A warrant was executed at

29 "the Bell Telephone Company in  
30



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1 "relation to the phones installed  
2 "on the premises at 353 Betty Ann  
3 "Drive, and the records showed  
4 "numerous calls to points such as  
5 "Gusenston, New York; Chicago,  
6 "Illinois; Corvington, Kansas;  
7 "Buffalo, New York, Cleveland, Ohio;  
8 "Florida; and Canadian centres such  
9 "as Hamilton, Preston, Montreal and  
10 "Guelph. The approximate monthly  
11 "toll charges were \$1,300.00. It  
12 "is noteworthy that these large tolls  
13 "to this address ceased the day  
14 "following the arrest. When  
15 "approximately \$15,000.00 per year is  
16 "spent on telephone charges alone,  
17 "this would surely indicate a very  
18 "large operation of illegal betting.  
19 "Bearing all other matters in mind,  
20 "the fact that Ruben Stein was a  
21 "part of this operation, and also a  
22 "member of the Somerset Club, is a  
23 "little more than just coincidence.  
24 "  
25 "On Tuesday, February 6th, 1962,  
26 "at approximately 8.15 p.m., an Order  
27 "for Search was executed on the Somerset  
28 "Club premises by officers from  
29 "Morality Bureau. One, Edward Mallins,  
30 "alias Malinsky, 131 Elbridge Drive,





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1 "53 years, secretary-treasurer, was  
2 "questioned, and he related that he  
3 "sometimes banked the club money in  
4 "his own personal bank account, and  
5 "when bills became due and the club account  
6 "was low, he would use the funds in  
7 "his own account to meet the bills.  
8 "When it was pointed out that this  
9 "was not correct procedure, he stated  
10 "that he thought some money had  
11 "been loaned out to the members. At  
12 "this time, the club membership card  
13 "file was checked, and one card bearing  
14 "the name of Bernard Frankel, 57  
15 "York Downs Road, was found. Frankel  
16 "is part owner of the Vogel Furniture  
17 "Company, 121 McCormack Street, and  
18 "is also a part owner of Globe Sofa  
19 "Miter Company, 48 Abel Street.  
20 "  
21 "The premises at 48 Abel Street  
22 "were under observations for a period  
23 "of time in October and November 1961,  
24 "and it was noted that they were  
25 "frequented daily by one, Dave Gilbert,  
26 "1312 Seugog Street, Ashawa, who  
27 "is a Somerset Club member, and one,  
28 "Reginald Dunn, 63 Braywin Drive, a  
29 "club steward of the former Jordan  
30 "Club. A check of the Bell Telephone







1 "records on Gilbert's home  
2 "telephone showed a toll to many  
3 "convicted and suspected bookmakers  
4 "in the Toronto area."

5 THE COMMISSIONER: What is that name,  
6 Gilbert or Gilbert?

7 MR. ESTY: Gilbert.

8 THE COMMISSIONER: Spell it.

9 MR. ESTY: G-i-l-b-e-r-t. Dave Gilbert.

10 "A check of the Bell Telephone records  
11 "on Gilbert's home telephone showed  
12 "a toll to many convicted and suspected  
13 "bookmakers in the Toronto area. It  
14 "is believed that the Globe Sofa  
15 "Miter Company, 48 Abel Street,  
16 "was being used, with the full know-  
17 "ledge of Bernard Frankel, by Dan and  
18 "Gilbert as a 'relay' or 'back end',  
19 "and Gilbert's home telephone was  
20 "used as a billing address for the  
21 "illegal betting operations at 48  
22 "Abel Street. Gilbert was also a  
23 "member of the ex-Jordan Club."

24 The names of those have significance.

25 In passing, Bernard Frankel is the one we saw  
26 in the Queen City Bridge and Social Club, and  
27 that group of clubs, with Irving Bluestein.

28 " On Monday, December 11th,

29 "1962, officers from Morality Bureau  
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1 "and the Ontario Provincial Police  
2 "arrested Reginald Dann, 37 years,  
3 "63 Braywin Drive; Ernest Migely,  
4 "51 years, 33 Princeton Road;  
5 "Jack Riggs, 42 years, 4 Belvedere  
6 "Blvd; Leslie P. Digby, 36 years,  
7 "727 Annette Street; Raymond Cole,  
8 "47 years, 596 Christie Street; Joyce  
9 "Miller alias Gorseau, 32 years, 301  
10 "Parklawn Road, and Marguerite L.  
11 "Vice, 34 years, 170 Park Road South,  
12 "Oshawa, on joint charges of  
13 "Conspiracy to Keep Common Betting  
14 "Houses."

15 The next paragraph deals with the hearing  
16 of these charges and sentences imposed.

17 Then, the report resumes:

18 " On Saturday, June 2nd, 1962,  
19 "at approximately 2.30 p.m., officers  
20 "from Morality Bureau executed an  
21 "Order for Search on the Somerset  
22 "Club premises. Among the fifteen  
23 "persons present were David Stillman,  
24 "28 Stadacona Drive, 44 years, a club  
25 "member, and Morris Saltzman, 15  
26 "Blue Forest Drive, 42 years, who was  
27 "identified as a guest of David Stillman.  
28 "Both these men were former members  
29 "of the Jordan Club. David Stillman  
30





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1 "was also a member of the Lakeview  
2 "Athletic Club, the Jordan Club, Club  
3 "Bernard and the Atlas Club. Morris  
4 "Saltzman was also a member of the  
5 "Atlas Club and the Stag Club.

6 " A check of the records of the  
7 "Bell Telephone Company indicates that  
8 "Morris Saltzman is in contact with one,  
9 "Ralph Rutledge, 61 Sylvan Avenue,  
10 "Scarborough. In October, 1960,  
11 "Rutledge was arrested at his home  
12 "by officers from Number 1 Division  
13 "on a charge of Keep a Common Betting  
14 "House. On entering the premises,  
15 "under the authority of a warrant,  
16 "Rutledge was successful in burning  
17 "all the papers before being apprehended.  
18 "On December 16th, 1960, when he  
19 "appeared before His Worship,  
20 "Magistrate J. Butler, the charge  
21 "against him was dismissed.

22 " Ralph Rutledge was also arrested,  
23 "along with his parents, Horace and Amy  
24 "Rutledge, 51 years and 51 years  
25 "respectively, at the same address,  
26 "61 Sylvan Avenue, on April 24th, 1962,  
27 "and charged with Keep a Common Betting  
28 "House and Engage in Bookmaking.  
29 "These charges are, at present, pending  
30







1 "before the courts. Although  
2 "Ralph Rutledge is not shown as  
3 "a member of the Somerset Club, the  
4 "fact that he is in constant contact  
5 "with Morris Saltzman, a Somerset  
6 "Club member, is noteworthy.  
7 "Rutledge was also a member of the  
8 "Jordan Club."

9 Then, it deals with Morris Saltzman  
10 and Morovitz. Perhaps I should read it:

11 " Morris Saltzman also  
12 "contacts, by telephone, at least  
13 "one convicted bookmaker, one, Arthur  
14 "Morovitz, 18 Watts Avenue, Chelsea,  
15 "Massachusetts. Bell Telephone  
16 "records indicate that Saltzman  
17 "is connected with a gambling casino  
18 "in Cincinnati, Ohio.

19 " A check of the Somerset Club  
20 "membership list shows, in addition  
21 "to the persons previously mentioned,  
22 "the following members who are also  
23 "members of several other chartered  
24 "clubs. Some of these clubs have  
25 "had their charters cancelled or  
26 "action is pending in this regard:  
27 "O. Hughes, 1598 Eglinton Avenue  
28 "West, was also a member of the  
29 "Arlington Club, 1623 Queen Street East.  
30







1 "Joseph Bookbinder, 61 Neptune  
2 "Drive, was also a member of the  
3 "Lakeview Athletic Club, the Atlas  
4 "Club and the Jordan Club. This  
5 "man showed his place of business,  
6 "at one time, as 881 Eglinton Avenue  
7 "West, the former branch office of  
8 "the Jordan Club.  
9 "Tony Caradone, 278 Betty Ann Drive,  
10 "was also a member of the Arlington  
11 "Club and the Jordan Club.  
12 "Max Fialkow, 3815 Bathurst Street,  
13 "was also a member of the Lakeview  
14 "Athletic Club and the Bellevue Club.  
15 "On Tuesday, May 9th, 1962, at  
16 "approximately 1.30 p.m., officers  
17 "from the Morality Bureau executed  
18 "an Order for Search on the premises  
19 "situated at 567 Riddelle Avenue.  
20 "An investigation resulted in the  
21 "arrest of Fialkow on charges of Keep a  
22 "Common Betting House and Engage in  
23 "Bookmaking. Fialkow appeared in  
24 "York Township Court on Wednesday,  
25 "July 4th, 1962, before His Worship  
26 "Magistrate J. Butler, and was  
27 "sentenced to two months imprisonment  
28 "plus a \$500.00 fine or an alternative  
29 "of two months imprisonment on the  
30







1 "charge of Engage in Bookmaking.

2 "The charge of Keep a Common Betting  
3 "House was withdrawn.

4 "Frank Hughes, 21 Christina Crescent,  
5 "was also a member of the Jordan  
6 "Club and the Arlington Club.

7 "Allan Hersee, 515 Chaplin Crescent,  
8 "was also a member of the Lakeview  
9 "Athletic Club.

10 "Ben Rosenberg, 111 Whitburn Crescent,  
11 "was also a member of the Omega Club.

12 "Jack Rosen, 2550 Bathurst Street, was  
13 "also a member of the Clarion Club  
14 "and the Lakeview Athletic Club.

15 "Sam Sugarman, 59 Fraserwood Avenue,  
16 "Apartment 5, was also a member of  
17 "the Jordan Club and the Atlas Club.

18 "Hyman Lustig, 22 Lyonnegate Avenue,  
19 "was also a member of the Clarion  
20 "Club and the Atlas Club. (Record  
21 "contained in July, 1960, report.)

22 " The following are the dates  
23 "of cancellation of chartered clubs  
24 "mentioned in connection with Somerset  
25 "Club members:

26 "The Clarion Club, formerly 501 Yonge  
27 "Street, cancelled on April 8th, 1961  
28 "following conviction of Edward Eisen  
29 "on a charge of Keep a Common Betting  
30



The first of these is the fact that the  
 government has been unable to raise  
 the necessary funds to meet its  
 obligations. This is due to a  
 combination of factors, including  
 the high cost of borrowing and  
 the low level of tax revenue.  
 The second problem is the  
 government's failure to implement  
 effective economic reforms. This  
 has led to a stagnating economy  
 and a high level of unemployment.  
 The third problem is the  
 government's lack of transparency  
 and accountability. This has  
 led to a loss of confidence in  
 the government and its policies.  
 The fourth problem is the  
 government's failure to address  
 the needs of the poor and  
 vulnerable populations. This has  
 led to a widening gap between  
 the rich and the poor.  
 The fifth problem is the  
 government's failure to address  
 the environmental challenges  
 facing the country. This has  
 led to a degradation of the  
 environment and a loss of  
 natural resources.  
 The sixth problem is the  
 government's failure to address  
 the social challenges facing the  
 country. This has led to a  
 breakdown of social cohesion and  
 a loss of trust in the government.  
 The seventh problem is the  
 government's failure to address  
 the security challenges facing the  
 country. This has led to a  
 breakdown of law and order and  
 a loss of life and property.  
 The eighth problem is the  
 government's failure to address  
 the corruption challenges facing  
 the country. This has led to a  
 loss of public funds and a  
 degradation of public services.  
 The ninth problem is the  
 government's failure to address  
 the education challenges facing  
 the country. This has led to a  
 low level of literacy and a  
 lack of skilled labor.  
 The tenth problem is the  
 government's failure to address  
 the health challenges facing the  
 country. This has led to a high  
 level of morbidity and mortality.  
 The eleventh problem is the  
 government's failure to address  
 the housing challenges facing the  
 country. This has led to a  
 lack of adequate housing for  
 the population.  
 The twelfth problem is the  
 government's failure to address  
 the transportation challenges  
 facing the country. This has  
 led to a lack of infrastructure  
 and a high cost of transport.  
 The thirteenth problem is the  
 government's failure to address  
 the energy challenges facing the  
 country. This has led to a  
 lack of access to electricity and  
 a high cost of energy.  
 The fourteenth problem is the  
 government's failure to address  
 the water challenges facing the  
 country. This has led to a  
 lack of access to clean water and  
 a high cost of water.  
 The fifteenth problem is the  
 government's failure to address  
 the waste management challenges  
 facing the country. This has  
 led to a lack of proper waste  
 disposal and a degradation of  
 the environment.  
 The sixteenth problem is the  
 government's failure to address  
 the climate change challenges  
 facing the country. This has  
 led to a lack of action to  
 reduce greenhouse gas emissions  
 and a degradation of the  
 environment.  
 The seventeenth problem is the  
 government's failure to address  
 the disaster risk management  
 challenges facing the country. This  
 has led to a lack of preparedness  
 for natural disasters and a  
 loss of life and property.  
 The eighteenth problem is the  
 government's failure to address  
 the peace and security challenges  
 facing the country. This has  
 led to a breakdown of law and  
 order and a loss of life and  
 property.  
 The nineteenth problem is the  
 government's failure to address  
 the human rights challenges  
 facing the country. This has  
 led to a violation of human  
 rights and a loss of trust in  
 the government.  
 The twentieth problem is the  
 government's failure to address  
 the gender equality challenges  
 facing the country. This has  
 led to a discrimination against  
 women and a loss of their  
 potential.  
 The twenty-first problem is the  
 government's failure to address  
 the youth challenges facing the  
 country. This has led to a  
 lack of opportunities for young  
 people and a loss of their  
 potential.  
 The twenty-second problem is  
 the government's failure to  
 address the elderly challenges  
 facing the country. This has  
 led to a lack of support for  
 the elderly and a loss of their  
 dignity.  
 The twenty-third problem is  
 the government's failure to  
 address the disabled challenges  
 facing the country. This has  
 led to a lack of support for  
 the disabled and a loss of their  
 potential.  
 The twenty-fourth problem is  
 the government's failure to  
 address the indigenous  
 challenges facing the country. This  
 has led to a discrimination  
 against indigenous people and  
 a loss of their rights.  
 The twenty-fifth problem is  
 the government's failure to  
 address the religious  
 challenges facing the country. This  
 has led to a discrimination  
 against religious groups and a  
 loss of their freedom.  
 The twenty-sixth problem is  
 the government's failure to  
 address the ethnic  
 challenges facing the country. This  
 has led to a discrimination  
 against ethnic groups and a  
 loss of their identity.  
 The twenty-seventh problem is  
 the government's failure to  
 address the linguistic  
 challenges facing the country. This  
 has led to a discrimination  
 against linguistic groups and a  
 loss of their language.  
 The twenty-eighth problem is  
 the government's failure to  
 address the cultural  
 challenges facing the country. This  
 has led to a loss of cultural  
 heritage and a degradation of  
 the environment.  
 The twenty-ninth problem is  
 the government's failure to  
 address the historical  
 challenges facing the country. This  
 has led to a lack of recognition  
 of historical events and a  
 loss of historical memory.  
 The thirtieth problem is the  
 government's failure to address  
 the future challenges facing the  
 country. This has led to a lack  
 of vision and a loss of hope for  
 the future.  
 The thirty-first problem is the  
 government's failure to address  
 the global challenges facing the  
 country. This has led to a lack  
 of engagement with the world  
 and a loss of international  
 cooperation.  
 The thirty-second problem is  
 the government's failure to  
 address the local challenges  
 facing the country. This has  
 led to a lack of engagement  
 with the local community and a  
 loss of local support.  
 The thirty-third problem is the  
 government's failure to address  
 the regional challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 region and a loss of regional  
 cooperation.  
 The thirty-fourth problem is  
 the government's failure to  
 address the international  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the international community  
 and a loss of international  
 support.  
 The thirty-fifth problem is the  
 government's failure to address  
 the universal challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 universal community and a  
 loss of universal support.  
 The thirty-sixth problem is the  
 government's failure to address  
 the specific challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 specific community and a  
 loss of specific support.  
 The thirty-seventh problem is  
 the government's failure to  
 address the individual  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the individual community  
 and a loss of individual support.  
 The thirty-eighth problem is  
 the government's failure to  
 address the collective  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the collective community  
 and a loss of collective support.  
 The thirty-ninth problem is  
 the government's failure to  
 address the common  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the common community  
 and a loss of common support.  
 The fortieth problem is the  
 government's failure to address  
 the shared challenges facing the  
 country. This has led to a lack  
 of engagement with the shared  
 community and a loss of shared  
 support.  
 The forty-first problem is the  
 government's failure to address  
 the joint challenges facing the  
 country. This has led to a lack  
 of engagement with the joint  
 community and a loss of joint  
 support.  
 The forty-second problem is  
 the government's failure to  
 address the mutual  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the mutual community and  
 a loss of mutual support.  
 The forty-third problem is the  
 government's failure to address  
 the reciprocal challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 reciprocal community and a  
 loss of reciprocal support.  
 The forty-fourth problem is  
 the government's failure to  
 address the correlative  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the correlative community  
 and a loss of correlative support.  
 The forty-fifth problem is the  
 government's failure to address  
 the alternative challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 alternative community and a  
 loss of alternative support.  
 The forty-sixth problem is the  
 government's failure to address  
 the complementary challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the complementary community  
 and a loss of complementary  
 support.  
 The forty-seventh problem is  
 the government's failure to  
 address the synergistic  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the synergistic community  
 and a loss of synergistic support.  
 The forty-eighth problem is  
 the government's failure to  
 address the systemic  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the systemic community  
 and a loss of systemic support.  
 The forty-ninth problem is the  
 government's failure to address  
 the structural challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 structural community and a  
 loss of structural support.  
 The fiftieth problem is the  
 government's failure to address  
 the institutional challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the institutional community and  
 a loss of institutional support.  
 The fifty-first problem is the  
 government's failure to address  
 the procedural challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 procedural community and a  
 loss of procedural support.  
 The fifty-second problem is  
 the government's failure to  
 address the behavioral  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the behavioral community  
 and a loss of behavioral support.  
 The fifty-third problem is the  
 government's failure to address  
 the attitudinal challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 attitudinal community and a  
 loss of attitudinal support.  
 The fifty-fourth problem is  
 the government's failure to  
 address the emotional  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the emotional community  
 and a loss of emotional support.  
 The fifty-fifth problem is the  
 government's failure to address  
 the cognitive challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 cognitive community and a  
 loss of cognitive support.  
 The fifty-sixth problem is the  
 government's failure to address  
 the conative challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 conative community and a  
 loss of conative support.  
 The fifty-seventh problem is  
 the government's failure to  
 address the affective  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the affective community  
 and a loss of affective support.  
 The fifty-eighth problem is  
 the government's failure to  
 address the volitional  
 challenges facing the country. This  
 has led to a lack of engagement  
 with the volitional community  
 and a loss of volitional support.  
 The fifty-ninth problem is the  
 government's failure to address  
 the motivational challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the motivational community and  
 a loss of motivational support.  
 The sixtieth problem is the  
 government's failure to address  
 the instrumental challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the instrumental community and  
 a loss of instrumental support.  
 The sixty-first problem is the  
 government's failure to address  
 the terminal challenges facing  
 the country. This has led to a  
 lack of engagement with the  
 terminal community and a  
 loss of terminal support.  
 The sixty-second problem is  
 the government's failure to  
 address the initial challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the initial community and a  
 loss of initial support.  
 The sixty-third problem is the  
 government's failure to address  
 the intermediate challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the intermediate community  
 and a loss of intermediate  
 support.  
 The sixty-fourth problem is  
 the government's failure to  
 address the final challenges  
 facing the country. This has led  
 to a lack of engagement with  
 the final community and a  
 loss of final support.





1 "House, on November 21st, 1960.

2 "Club Bernard, formerly 560 King

3 "Street West, cancelled on August

4 "7th, 1961, following gaming house

5 "convictions on Joseph Tripodi and

6 "Frank Pucel.

7 "The Jordan Chess and Bridge Club,

8 "formerly of 104 Adelaide Street

9 "West, with a branch at 931 Eglinton

10 "Avenue West, was cancelled on

11 "December 17th, 1960, following

12 "the conviction on the club itself,

13 "on October 7th, 1960, on the charge

14 "of Keep a Common Betting House.

15 "Lakeview Athletic Club, formerly

16 "of 2016A Bathurst Street, was

17 "cancelled on April 8th, 1961, following

18 "a betting house conviction on Max

19 "Baker, Joseph Seldin and Samuel

20 "Hinder on December 1st, 1960.

21 "The Omega Club, formerly of 382

22 "Queen Street West, was cancelled

23 "for cause on August 21st, 1961.

24 " In regard to the Atlas Club,

25 "237 Spadina Avenue, and the  
26 "Athletic

27 "Arglington Club, convictions have

28 "been registered on the principals

29 "of each of these clubs for Keep a

30 "Common Betting House and Keep a





1 "Common Gaming House, respectively,

2 "and are now pending appeal. The

3 "Stag Club, 586 Bathurst Street,

4 "is now before the courts in betting

5 "and gaming house charges.

6 " On Friday, February 2nd, 1962,

7 "at approximately 8.50 p.m., officers

8 "from the Morality Bureau executed

9 "an Order for Search on the premises

10 "of the Atlas Club, 287 Spadina Avenue.

11 "In charge at this time were Benjamin

12 "Leitman, 10 Parkhill Road, 61 years,

13 "and Sam Goldstein, 2550 Bathurst

14 "Street, 51 years, vice-president. A

15 "search at this time revealed a slip

16 "of paper bearing the telephone numbers ..."

17 THE COMMISSIONER: How long is that?

18 Is there much more?

19 MR. ESTEY: I am just about finished.

20 THE COMMISSIONER: Since it is going to  
21 be entered as an exhibit why take the time,  
22 and save the Reporter copying down something  
23 that will be in?

24 MR. ESTEY: Certainly the Reporter need  
25 not take it down, Mr. Commissioner. This is  
26 the latest police report of which I have  
27 record and it pulls it all together.

28 MR. WILSON: What is the date?

29 MR. ESTEY: This was forwarded to the  
30







1 Department on July the 12th last and it is  
2 dated July the 11th. It is a re-write of one  
3 which is on file here dated the 6th of July.  
4 They deal at great length with the records  
5 of men found on the premises of the Somerset  
6 Club, or named in this report. There are  
7 two pages of names and, then, the officer  
8 concludes with these two paragraphs:  
9

10 " Taking into careful considera-  
11 "tion all the above outlined facts,  
12 "it can only be logically concluded  
13 "that the Somerset Club operates in  
14 "precisely the same manner as so many  
15 "clubs of a like nature who have lost  
16 "their corporate powers mainly because  
17 "of illegal gambling and betting.

18 " It is respectfully submitted  
19 "that the foregoing information be  
20 "forwarded to the Provincial Secretary,  
21 "Queen's Park, with a recommendation  
22 "that the charter of the Somerset  
23 "Club be cancelled."

24 The Acting Deputy Chief in July stated:

25 " I concur in the Inspector's  
26 "report and in view of the circum-  
27 "stances outlined strongly recommend  
28 "that the charter held by the Somerset  
29 "Club be cancelled."

30 And that report is the basis of what you



1	the first time that the world was divided
2	into the east and the west
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1 indicated, Mr. Yarensky, as action pending in  
2 your Department?

3 A. Yes. The matter was referred by  
4 Mr. Gudney to Mr. Lavine and by Mr. Gudney to  
5 myself on September the 14th. I replied to  
6 him on September the 26th, in which I stated:

7 " I would ask you to extract  
8 "from the report of the Metropolitan  
9 "Toronto Police those items upon  
10 "which we might proceed to institute  
11 "proceedings for cancellation, and  
12 "if they relate to the matter of  
13 "evidence of illegal gaming, I would  
14 "ask you to consult with the Attorney-  
15 "General's Department, in order that  
16 "we might come to a decision."

17 And, of course, because of these present  
18 hearings, no decision has been made as yet in  
19 this regard.

20 Q. Now, you referred it to the  
21 Attorney-General. What did you want to get  
22 from that Department?

23 A. No. I am suggesting to him "if  
24 they relate to the matter" he is to extract  
25 from the report, and it is a very lengthy  
26 report.

27 Q. Yes.

28 A. But I have asked him to extract  
29 those of which he believes may form the basis --  
30

[illegible]





1 THE COMMISSIONER: Q. Of cancellation?

2 A. Of cancellation. And, if an  
3 item relates to the matter of evidence of  
4 illegal gaming I have asked him to refer that  
5 to the Attorney-General's Department.

6 Q. Mr. Hestey wants to know why?

7 MR. HESTY: Q. Yes.

8 A. You will recall, I discovered  
9 subsequently myself in January of 1960 there  
10 had been a meeting between the then Provincial  
11 Secretary and the Attorney-General and officials,  
12 and there had been a discussion that if one  
13 of the grounds was the allegation -- the  
14 evidence of illegal gaming -- that is, based  
15 on a conviction for illegal gaming -- the  
16 matter would be discussed with the Attorney-  
17 General's Department, he having within his  
18 establishment men who are experts in the  
19 field of criminal law, which, of course, we  
20 may have experts but I do not know whether  
21 they are experts in the field of criminal law,  
22 as far as evidence of illegal gaming.

23 Q. First of all, there is no evidence  
24 that the Seneca Club held any real estate?

25 A. Not to my knowledge. I think  
26 the evidence is that they leased premises.  
27 They leased the present premises.

28 Q. No evidence they carry on  
29 athletic competition in which the liability for  
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1 physical injuries is present?

2 A. Not to my knowledge.

3 Q. In fact, Mr. Yarensko, reading the  
4 two police reports over a span of two years,  
5 there is no evidence of any real bona fide  
6 social club operations at all, is there?

7 A. I don't know what you mean by  
8 "bona fide social club". It evidently --  
9 People want not there for gambling purposes.

10 Q. And that is the evidence that  
11 spreads over two years and I am wondering, on  
12 the basis of this report in July of 1962, why  
13 the Department allows this club to continue  
14 operating? Did you consider suspending the  
15 charter while you looked into this thing?

16 A. No, we have no authority to suspend.

17 Q. Do you ever write letters telling  
18 clubs to suspend operations pending cancellation  
19 proceedings?

20 A. We have in those instances where  
21 we have instituted cancellation proceedings.  
22 We have not as yet had an opportunity to sit  
23 down and consider whether cancellation pro-  
24 ceedings will be instituted. The initial  
25 letter has not gone out because the Department  
26 is in the process of obtaining the information  
27 on which a decision is to be made, on which  
28 the initial letter instituting cancellation  
29 proceedings will be sent out.  
30







1 Q. There seems to be some evidence  
2 in these two reports that operations of  
3 considerable magnitude are going on, and in  
4 the face of that I am wondering what policy  
5 the Department takes to effect its policy?  
6 Delay seems to profit the gamblers.

7 A. If I may say, Mr. Estey, if there  
8 is an implication of delay I think the overall  
9 picture of the Departmental activities in  
10 the past two years can be taken into account.  
11 We are confronted with the operation of a  
12 very large Department. We have tried to  
13 present to you all the material that is relevant.  
14 The aspect of social clubs and gambling is  
15 a very serious one, indeed. I suggest to you,  
16 however, that the other -- that in the minds  
17 of the people concerned with the other  
18 divisions of the Department and the heavy  
19 volume of business that has to take place,  
20 I offer no excuse for this; the timing and  
21 facts speak for themselves, your lordship.

22 Q. Thank you, Mr. Yaremko. Now,  
23 may we move on.

24 A. Before we move on, Mr. Estey,  
25 I noticed in the file a memorandum dictated  
26 for the record by Mr. Guiney, the Deputy  
27 Provincial Secretary, dated January the 18th,  
28 1962. There are two relevant paragraphs  
29 which I would like to bring to your attention in  
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1 this memorandum, your lordship. He refers to  
2 the -- This is a summary of the file. He  
3 refers to the application for change, which  
4 was refused, and the police reports of the  
5 Metro and C.P.F. and he continues in this  
6 fashion:

7 " The Deputy Minister referred  
8 "the report to Mr. Margolin,  
9 "Departmental solicitor and under  
10 "date of July 25, . . ."

11 The books were received. A special letter  
12 was written for a special return. Then, the  
13 memorandum goes on:

14 " The books were received, in  
15 "compliance with a special return  
16 "and were handed by the Deputy  
17 "Minister to Mr. Lavine for review.  
18 "Mr. Lavine recalls that after he  
19 "returned from holidays, after  
20 "Labour Day in September 1960, the  
21 "books were on his desk, that he  
22 "looked these books over and he  
23 "recalls discussing them with the  
24 "Deputy Minister and it appeared  
25 "from the books that the club powers  
26 "had not been forfeited for non-  
27 "user, as there had apparently been  
28 "continuous user of corporate powers.

29 " The Deputy Minister recalls  
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1. The Government of India has decided to  
2. increase the number of members of the  
3. Council of Ministers from 15 to 20.  
4. This decision was taken after a long  
5. discussion in the Council of Ministers.  
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100. discussion in the Council of Ministers.



1 "discussing the matter of the  
2 "cancellation of the charter with  
3 "the Minister at the time (whether  
4 "the Acting Minister or the Minister)..."

5 And that was in a period where I was  
6 away myself for illness and he is not sure  
7 whether he discussed it with me or the person  
8 acting for me.

9 ". . . and it was determined that  
10 "as the club powers had not been  
11 "forfeited, as there was no con-  
12 "viction, and there did not appear  
13 "from the police report to be  
14 "sufficient evidence of illegal  
15 "gaming, the charter could not be  
16 "cancelled."

17 That is in the summer of 1960. It  
18 refers to matters in the summer of 1960. Then,  
19 he goes on to say:

20 " The Deputy Minister . . . " -  
21 that is, himself -

22 ". . . was away, due to illness,  
23 "from January 8th . . ."

24 It would appear I reconsidered the matter.  
25 So, this particular decision had been considered  
26 twice, based on the same report. This, I  
27 assume, is a memorandum which Mr. Cadney  
28 dictated, as was his custom, in preparation  
29 for the presentation to the Commission, for  
30







1 the record.

2 Q. That was not written in the  
3 ordinary course of departmental business, that  
4 was written in preparation for your brief?

5 A. Yes, but it sets out the  
6 recollection of his mind as to what took place,  
7 because you asked me what took place between  
8 July and February. They are in the one  
9 year. It had slipped my mind that those two  
10 paragraphs were relevant to your question,  
11 Mr. Estey.

12 Q. It occurs to me as a relevant  
13 summary of that file that the police are  
14 objecting to the user, not the non-user, and  
15 two of your officers have reviewed the file  
16 with relation to non-user.

17 A. The Provincial Secretary has  
18 authority, upon sufficient cause, and I  
19 suggest to you that they were seeking to see  
20 whether they could come to a conclusion and  
21 advise me whether, and that I could come to  
22 a conclusion myself as to whether there was  
23 sufficient cause. Because, Mr. Estey, in the  
24 exercise of my discretion it is not what I  
25 want to do or like to do; I am bound by the  
26 statute to find sufficient cause within my  
27 discretion.

28 Q. Now, may we turn to the Omega  
29 Club.  
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THE COMMISSIONER: Ten minutes.

---Short recess.

(Page 13465 follows)





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D/JIC'D/1

1 ---On resuming:

2  
3 THE WITNESS: Before we go on I wonder if  
4 we could round out the picture with regard to  
5 the Somerset. The statistics filed by the  
6 23 clubs concerned. The Somerset and the  
7 Sun Sun were the only two clubs where there  
8 had been recommendations by Chief Mackey  
9 for applications for change of premises  
10 where cancellation proceedings were not  
11 instituted. Those were the only two, to my  
12 recollection. All the clubs referred to in  
13 this report read by Mr. Estey in which the  
14 police officer refers to other clubs, all  
15 other clubs had been cancelled by me or  
16 proceedings instituted.

17 MR. ESTEY: Q. The Atlas Club was  
18 mentioned?

19 A. Proceedings have been instituted.

20 Q. But not cancelled?

21 A. I said were cancelled or proceedings  
22 instituted. The only one is the Static, and  
23 we have not received a report on that.

24 Q. It is mentioned twice. Now, we  
25 have the Omega Club, and I think you have that  
26 file before you. The first police report  
27 was August 20th, 1956.

28 THE COMMISSIONER: Where do I find  
29 reference to that in the brief?

30 MR. ESTEY: Page 74 of the brief proper --







J. Yaremko

13466

1 no, 34 and 35 of the brief proper, and it is  
2 mentioned in Appendix K at page 7, Appendix J  
3 at 916 and 20. You will see the report.

4 I think it is a letter to the Chief by  
5 Mr. Cadney, dated August 20th, 1954, a  
6 recommendation by the Police Department for  
7 cancellation. The details I will not go into.

8 A. My knowledge commenced with the  
9 report dated April 27th, 1961.

10 Q. I will be getting there. What  
11 happened to the police recommendation at that  
12 time, from your file? I think you will see  
13 a memo dated October 14th, 1954.

14 THE COMMISSIONER: Did you say it was  
15 Appendix "K"?

16 MR. WILSON: Page 7.

17 THE COMMISSIONER: Thank you. I have  
18 it now. What is your question?

19 MR. LATEY: What disposition was made  
20 of the police recommendation in 1954?

21 A. It may be difficult for me to  
22 follow, your lordship, as these are matters which  
23 -- there is a memo from a Mr. Kingsmill to Mr.  
24 Cadney dated October 14th, 1954, and it says --  
25 I don't think it mentions the disposition of the  
26 matter:

27 "The Toronto City Police Department  
28 has reported that it has a reasonable  
29 suspicion that the  
30







1 "above company, incorporated by letters  
2 "patent dated February 27, 1925, is  
3 "conducting gaming operations on its  
4 "premises. No police restriction is  
5 "contained in the charter, and the  
6 "evidence procured to date by the  
7 "police would appear to be inconclusive  
8 "in establishing that gaming operations  
9 "are, in fact, taking place, although  
10 "several of the members of the club,  
11 "apparently, have criminal records.  
12 "This, of course, does not affect the  
13 "status of the club itself."

14 Q. Then you finally held a hearing,  
15 an undated, typed memo, regarding a hearing  
16 December 6th, 1954?

17 A. Your question is the Department.  
18 I was not within the Department at that time  
19 and cannot speak from personal knowledge.

20 Q. In the file it culminates in a  
21 hearing, in your file, December 6th, 1954?

22 A. I have a letter, January 10th,  
23 1955, from Mr. Cudney to Inspector Walker.

24 "I refer to the hearing held  
25 "at this office recently relative  
26 "to the above club.

27 "After careful consideration  
28 "of the evidence submitted, it is  
29 "not deemed advisable to take any  
30

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1 "steps to cancel the letters patent of  
2 "this club at the present time."

3 "The books and records which  
4 "you left at this office may be  
5 "obtained by the club at any time."

6 Q. Just before that there is a type-  
7 written memo and some handwritten notes.

8 THE COMMISSIONER: Was the hearing  
9 December 6, 1954?

10 A. There was a hearing set for  
11 December 6, 1954.

12 Q. When did it take place? That  
13 memo is in 1955.

14 A. January 10th, 1955.

15 MR. ESTEY: Q. There is a part of the  
16 report, December 6th, 1954, and there is a  
17 typewritten memo on the file with some  
18 handwritten notes on the memo. The effect  
19 of it is that the officer of the club and a  
20 policeman who attended the hearings produced  
21 evidence and somebody said the cash book was  
22 prepared at one sitting and the minute book  
23 was at least brought up to date at another  
24 sitting. I want to find that. Would you  
25 find that?

26 A. There is a memorandum unsigned,  
27 undated, and it does not give any indication  
28 of what the memorandum is. It is a memorandum  
29 from whom to whom. I don't know. Mr. Cudney  
30



THE UNIVERSITY OF CHICAGO PRESS

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1 may enlighten us.

2 Q. In that memorandum, does it set  
3 out what I raised, the cash book at one time  
4 and the minute book at another?

5 THE COMMISSIONER: Do you see that?

6 A. I have that memo. Yes. It says,  
7 after two pages, the third page:

8 "The club produced and filed as  
9 "an exhibit a financial statement for  
10 "the ten month period ending  
11 "October 30th, 1954, together with a  
12 "cash book for the year together with  
13 "a minute book. It seems obvious  
14 "that the cash book was prepared at  
15 "one sitting and that the minute book  
16 "was at least brought up to date at  
17 "one sitting.

18 MR. ESTEY: Thank you. The next event  
19 as regards police reports, I believe -- perhaps  
20 there is a letter February 16th, 1960. Would  
21 you turn to a letter from Mr. Goodman to Mr.  
22 Cadney, the effect of which is the club has  
23 not been as active as formerly and we are at  
24 a loss to understand why there are any  
25 objections as to their activities. Do you  
26 see that? That is followed immediately by a  
27 police report dated April 26th, 1960.

28 A. Yes, there is such a letter and  
29 report.  
30



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1 Q. In that report you will find ---

2 THE COMMISSIONER: Police report dated?

3 A. 21st April, 1960.

4 Q. What police report?

5 MR. ESTEY: Metropolitan Toronto.

6 A. There is a memorandum from Mr.

7 Walker, Inspector Walker, to James Mackey,

8 April 21st, and a letter from Mackey to

9 Mr. Cudney, dated April 26th.

10 Q. Would you read the letter of  
11 April 26th, a very short letter?

12 A. "I am enclosing for your  
13 "consideration copy of a report dated  
14 "April 21st, 1960, which has been  
15 "submitted to me by Inspector E.R.  
16 "Walker, officer in charge of our  
17 "Morality Bureau, regarding the  
18 "operations of the above mentioned  
19 "social club.

20 "I concur in the Inspector's  
21 report and strongly recommend that  
22 "the Provincial charter held in the  
23 "name of this club be cancelled."

24 Q. The police report is four pages  
25 long, and if some one else does not want it  
26 read I would not, but there is a paragraph  
27 at the bottom of page 3 dealing with this  
28 club which is a little different.

29 A. Why don't we file the whole report?  
30





1. The first of these is the

2. The second is the

3. The third is the

4. The fourth is the

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6. The sixth is the

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26. The twenty-sixth is the

27. The twenty-seventh is the

28. The twenty-eighth is the

29. The twenty-ninth is the

30. The thirtieth is the



1 Q. Would you read the one paragraph on  
2 page 3, Mr. Yarenko?

3 A. The last paragraph? Is that the  
4 paragraph:

5 "During the years the Omega Club  
6 "was active, it is believed to have  
7 "been a large scale bookmaking and  
8 "gambling house as investigation of  
9 "pools levied on listings Empire 6-9577  
10 "and Empire 6-9578, of the Omega  
11 "Club, over a three month period  
12 "disclosed a \$742.20 charge."

13 It does not seem to state what period that  
14 covered.

15 "On being confronted with this  
16 "statement the excuse given was that  
17 "a large number of long distance  
18 "calls had been made by members  
19 "who reimbursed the club at later  
20 "dates. This statement would  
21 "tend to conflict with an enquiry  
22 "made in April of 1956 when a  
23 "letter was received by Mr. S.R.  
24 "Stevens, general commercial manager  
25 "of the Bell Telephone Company of  
26 "Canada, 76 Adelaide Street West,  
27 "requesting listings for six numbers  
28 "uncovered by a special Commission  
29 "investigating a crime and a gambling  
30



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1 "syndicate in a large New England State.  
2 "A search of files at the Bell Telephone  
3 "Company revealed that three of the  
4 "numbers were listed to the Acme Card  
5 "and Social Club and one to the Omega  
6 "Club, both of Toronto.

7 "Apparently the Omega Club is now  
8 "inactive."

9 Q. There are the names of two other  
10 clubs, one is the Parthenon Club, and the  
11 other the Atlas Club?

12 A. There are several here. Where  
13 were you?

14 Q. I did not notice the page.

15 THE COMMISSIONER: Draw his attention to  
16 the particular place.

17 A. I see.

18 "All of these clubs have been  
19 "convicted of Gaming or Betting House  
20 "charges with the exception of the  
21 "Grenville (Parthenon) Club which is  
22 "presently under investigation by  
23 "this department."

24 Q. We won't take the time -- somewhere  
25 in there the Atlas Club was mentioned.

26 THE COMMISSIONER: However, let us assume  
27 it is.

28 Q. I wanted to ask the witness to  
29 draw his attention to page 34 of the brief  
30

[illegible]





1 which says the Atlas and Parthenon and eleven  
2 other clubs had not been the subject of any  
3 complaints prior to the date in June, 1961,  
4 30th June, 1961. It seemed those two clubs  
5 had figured in police reports prior to that  
6 date?

7 A. It appeared that they were  
8 mentioned. We found one that was under  
9 investigation. We are talking about no  
10 complaint received. I refer you to  
11 Appendix K which is the list prepared in  
12 response to Mr. Gudney's letter and telephone  
13 conversation. He says -- it is on the first  
14 page of Appendix K:

15 "I understand from the Morality  
16 Bureau that the list contained in  
17 "this report includes all the  
18 "incorporated social clubs with  
19 "respect to which your Department  
20 "has filed complaints with this  
21 "Department for the past ten years."

22 And I refer to the Atlas and the Arlington Clubs  
23 which appear on page 10, and Chief Mackey says  
24 no adverse reports received as yet. I don't  
25 think the Parthenon Club appears in Appendix K.

26 Q. Speaking of Appendix K, there  
27 was no mention of the Sun Sun in there either?

28 A. No, nor of the Somerset.

29 Q. But those are not mentioned prior  
30





THE UNITED STATES OF AMERICA

IN SENATE

January 1, 1901

REPORT

OF THE

COMMISSIONER

OF THE

LAND OFFICE

FOR THE YEAR

ENDING

DECEMBER 31, 1900

AND

FOR THE YEAR

ENDING

DECEMBER 31, 1900

AND

FOR THE YEAR

ENDING

DECEMBER 31, 1900

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FOR THE YEAR

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DECEMBER 31, 1900

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FOR THE YEAR

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DECEMBER 31, 1900

AND

FOR THE YEAR



1 to 19th September, 1961. If you look at the  
2 top of page 2, Appendix K, the heading of this  
3 report which is signed by Inspector Thurston,  
4 "The following charters cancelled for cause".  
5 The Somerset and Sun Sun, not being cancelled,  
6 you would not expect to find them in there?

7 A. That is a sub-heading. They  
8 are all cancelled for cause, but they  
9 segregate them into two classifications.

10 Q. And the report is forwarded by  
11 Chief Mackey and he does not say it is all  
12 the reports. He sends Mr. Thurston's report.  
13 This might be a good time to point this out:  
14 this Appendix K is not a digest of all  
15 adverse reports but of clubs cancelled.

16 A. You should have, or should direct  
17 your questions to Mr. Sudney.

18  
19 (Page 13480 follows)  
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E/GRS/1

1 A. I think perhaps, Mr. Hestey, that you  
2 should direct your attention to -- you should  
3 have, or should direct your questions to Mr.  
4 Gudney, because Mr. Gudney had both telephone  
5 conversations and he will know explicitly  
6 what he requested, and then his letter  
7 confirms what he requested.

8 Q. All right.

9 A. I don't know.

10 Q. Perhaps you are right.

11 A. There are -- there are on pages --  
12 pages from nine to -- nine to eleven there  
13 are mention of clubs in which -- in respect  
14 of which cancellation has not taken place,  
15 and it states who the reports were submitted  
16 from, and no -- no adverse reports submitted  
17 yet there. We have -- we have gone to  
18 Chief Mackey's statement is so indicated or  
19 reproduced, and then consequently we have  
20 to press on with Roberts' comments to bring  
21 it up to date.

22 Q. Let's get back to the Omega  
23 chronology. Here. That report dated  
24 April the 21st was forwarded to the Department  
25 by letter dated April 26th, and the  
26 recommendation was, as we have seen, I think  
27 the word is strongly recommending cancellation.  
28 Now, what disposition did the Department make  
29 of that recommendation?  
30





1 A. No cancellation followed. I  
2 believe at that time, I am not ---

3 Q. No, I don't think the file  
4 explains what happened, but no cancellation  
5 followed? That is right, isn't it?

6 A. That is right.

7 Q. Then the next event is on May 8th,  
8 1961, there is a letter to you from Chief  
9 of Police Mackey. That is ---

10 THE COMMISSIONER: What date?

11 MR. ESTEY: The 8th of May, 1961, Chief  
12 Mackey to the witness. Do you have it  
13 before you?

14 A. Yes, I have.

15 Q. Is that a very long letter?

16 A. It is a letter of the 8th of May,  
17 one page, enclosing ---

18 Q. Would you mind ---

19 A. --- enclosing a report to -- from  
20 Chief Mackey, enclosing a report to Chief  
21 Mackey, of one, two, three ---

22 Q. Would you read the covering  
23 letter first, please?

24 A. Seven pages long, and the covering  
25 letter from Chief Mackey to myself is:

26 "I am enclosing herewith copy

27 of a report from Inspector E. R.

28 Walker, in charge of our morality

29 bureau, relative to the Omega Club,

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1 "situated at 382 Queen Street West, Toronto.

2 "I would ask that you read this  
3 "report quite closely . . . "

4 Incidentally, your lordship, I read all reports  
5 closely.

6 " . . . and it will indicate to you  
7 "the types of clubs that are so-called  
8 "social clubs, operating under charter,  
9 "in this metropolitan area. I would  
10 "also ask you to take careful note  
11 "of the type of individual who  
12 "frequents these clubs.

13 "In view of the information  
14 "contained in this report, and the  
15 "fact that the premises where the  
16 "club was situated are now closed,  
17 "I would strongly recommend that  
18 "the charter held by this club be  
19 "cancelled. This type of club is  
20 "a breeding-place for all types of  
21 "crime, and I would ask for your  
22 "utmost co-operation in ridding the  
23 "area of this menace."

24 Q. Of this what? This menace?

25 A. Of this menace.

26 Q. Right. Now, the attached report  
27 is quite lengthy, and I don't think we should  
28 read that report, it is seven pages long, I  
29 think you said.  
30



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1 A. This charter was cancelled in  
2 July.

3 THE COMMISSIONER: That report is dated  
4 April 27th, 1961?

5 A. April 27th, enclosed in the  
6 letter dated May 8th, 1961.

7 Q. Yes, I know, but the report  
8 itself was April 27th, 1961?

9 A. Yes.

10 Q. And the charter was cancelled  
11 on August 27th, 1961?

12 A. Now, it was dated the 21st of  
13 July, 1961, effective the 21st day of  
14 August, 1961.

15 Q. The 21st?

16 A. Dated the 21st of July, 1961,  
17 effective the 21st of August, 1961, signed  
18 by me.

19 MR. ESTEY: Now, Mr. Commissioner,  
20 this report is too long to read, but also  
21 is of the comprehensive type of report,  
22 and with your permission I would like to  
23 have that filed as an exhibit.

24 THE COMMISSIONER: We had better not  
25 lose track of this copy. Make a note of  
26 that, Mr. Registrar, that the police report  
27 dated April 27th, 1961, re Omega Club.

28 THE WITNESS: My lord, the Department  
29 has facilities for photostating, and perhaps ---  
30





1 THE COMMISSIONER: Well, I was advised  
2 during the morning recess they are photostating  
3 these now. I think the Provincial Police  
4 Department are doing that.

5 A. I see.

6 THE COMMISSIONER: We will get it done  
7 in any event.

8 MR. ESTEY: Now, as a result of receiving  
9 that police report I think there is a  
10 memorandum on the file dated the 23rd of  
11 May, 1961, from Mr. Margolian to Mr.  
12 Cudney?

13 A. Yes.

14 Q. Where he says in part that it  
15 was questionable whether sufficient evidence  
16 of gambling to warrant cancellation, and  
17 then he goes on to suggest that there  
18 may be grounds for forfeiture away back  
19 in 1925 to 1941, and so on. Do you see  
20 that?

21 A. Yes.

22 Q. And then as a result of that  
23 Mr. Cudney wrote to Chief Mackay asking to  
24 investigate the non-user grounds, and  
25 then ultimately why did you cancel that  
26 charter?

27 THE COMMISSIONER: What do you mean? On  
28 what grounds?

29 MR. ESTEY: On what grounds, yes, sir.  
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1 A. The letter sent by Mr. Cudney to  
2 the club was dated July the 6th, 1961, reads  
3 as follows:

4 "The following matters have been  
5 "brought to the attention of this  
6 "Department:

7 "On September 22nd, 1960, while  
8 "members of the Metropolitan Toronto  
9 "Police Department were conducting  
10 "an investigation on the premises  
11 "of the above corporation, the  
12 "persons present on the premises  
13 "apparently became very hostile and  
14 "threatened the police officers  
15 "and the situation developed into  
16 "a free-for-all in which police  
17 "officers were knocked to the floor  
18 "and, as a result thereof, one  
19 "Joseph Irwin was convicted of  
20 "assaulting a police constable  
21 "engaged in the execution of his  
22 "duties."

23 Q. Well ---

24 A. And then he says:

25 "I would advise that unless  
26 "cause is shown to the contrary . . . " --  
27 the usual form of letter.

28 Q. Well, and that letter is in turn  
29 based on a memorandum which I think refers to  
30



1. The first section of the report is devoted to a general description of the work done during the year. It includes a summary of the progress made in the various branches of the research, and a statement of the results obtained. The second section is devoted to a detailed description of the experiments conducted, and the results obtained. The third section is devoted to a discussion of the results, and a comparison of the findings with those of other workers in the field. The fourth section is devoted to a summary of the work, and a statement of the conclusions reached. The fifth section is devoted to a list of references, and a list of the names of the workers who have contributed to the progress of the research.





1 a conversation that arose dated the 27th of  
2 June, 1961, which Mr. Cudney writes a memorandum  
3 to Mr. [redacted] saying that you say you discussed the  
4 matter with the Minister and he has directed  
5 the letters -- a letter of cancellation be  
6 sent emphasizing that Irwin had been  
7 convicted. Do you see that?

8 A. Well, he says:

9 "I have discussed the above  
10 "matter with the Minister and he  
11 "has directed that we send out a  
12 "letter of cancellation.

13 "Would you prepare such letter  
14 "over my signature and, in such  
15 "letter, would you refer to the  
16 "fact that when the police were  
17 "conducting their investigation  
18 "those present in the club became  
19 "very hostile, threatening the  
20 "police and it developed into a  
21 "free-for-all, . . . " -- etcetera.

22 Q. Yes. Now, is there any evidence  
23 in the file that this gentleman Irwin is  
24 connected with the club?

25 A. There is a police report enclosed --  
26 enclosing a certificate of conviction of one  
27 Joseph Irwin.

28 Q. Right. Any evidence on the  
29 file that he was connected with the club?  
30



1. The first group of people who are affected by the disease are those who are in the early stages of the disease.





1 A. Yes. It says in here about the  
2 assault on a police officer by Joseph Irwin  
3 during the investigation at the Omega Club  
4 premises on September 22nd, 1960. That  
5 would -- I assume is the same as the Joseph  
6 Irwin referred to in the ---

7 Q. If you will turn to page 2 of the  
8 police report on the 27th of April, 1961,  
9 the first reference to Mr. Irwin is in the  
10 second paragraph, the second sentence it  
11 says that Joseph Irwin, 57 Tenth Street,  
12 New Toronto, came to the club and was  
13 informed by a police officer that the police  
14 were conducting an investigation, and that  
15 he couldn't enter the premises, and there  
16 then ensued the riot. Now, I would like  
17 you to direct your mind to this question  
18 we have discussed here at some length, the  
19 question of gambling convictions on club  
20 premises where the person convicted is not  
21 an officer or directly connected with the  
22 club, and there was some hesitation shown  
23 through the files about a cancellation  
24 based on those grounds. Now, we have a  
25 cancellation based on the grounds of a  
26 disturbance of the peace, and assaulting a  
27 police officer by one James Irwin who  
28 apparently happened -- Joseph Irwin happened  
29 on the scene during the investigation --  
30





The first of these is the fact that the  
 Government has been unable to secure  
 the necessary funds to carry out its  
 policy of maintaining the peace in  
 the Middle East. This has led to a  
 situation in which the Government is  
 unable to pay the salaries of its  
 officials, and the country is in a  
 state of financial collapse. The  
 Government has also been unable to  
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 led to a situation in which the  
 Government is unable to pay the  
 salaries of its officials, and the  
 country is in a state of financial  
 collapse.



1 during the raid. Now, is this a new policy  
2 that you cancel in this kind of activity, or  
3 when did that policy start?

4 A. I don't know whether it was  
5 policy, but I evidently took a very serious  
6 view of this, and the fact that Irwin was  
7 tied in with the club. I felt that I would  
8 use that as a ---

9 THE COMMISSIONER: Now was he tied in  
10 again?

11 A. By references in the police  
12 report.

13 Q. He wasn't tied into the club  
14 through anything in the report?

15 A. No, but the reference ---

16 Q. He was some one who came along  
17 while the police were actually engaged on  
18 the raid?

19 A. In reference to the premises.

20 Q. He wanted to get in and they  
21 wouldn't let him, and therefore he assaulted  
22 the officer.

23 A. My -- my sentence should have  
24 been in reference to the premises of the  
25 club, my lord.

26 MR. ESTAY: I see.

27 A. I may say, your lordship, that  
28 in respect to these letters of cancellation,  
29 I recall -- this is speaking from recollection,  
30

[illegible]





1 that when I first became aware of the form of  
2 the letter of cancellation, it was a letter  
3 that I believe was a "show cause" letter. It  
4 just said we propose to cancel -- we propose  
5 to institute proceedings to cancel unless  
6 you show cause otherwise, and I discussed  
7 that, I believe, with Mr. Gudney, and it was  
8 my opinion, with which I think he concurred  
9 very readily, that we might be open to  
10 criticism if we didn't at least indicate  
11 to the recipients of the letter what they  
12 were being charged with specifically, and  
13 then we began to list a reason that -- the  
14 Department began to list a reason upon which  
15 they felt that it could form sufficient  
16 cause and then latterly again I developed  
17 with Mr. Gudney that -- that we send by the  
18 letter we include all likely -- we figuratively  
19 throw the book at the -- at the organization,  
20 and list anything that could possibly lead  
21 to a cause for cancellation, and then await  
22 the evidence at the hearing to determine  
23 which of the allegations we set out in the  
24 letter are proven, and then on the basis  
25 of that the Minister would form his decision  
26 as to -- as to whether to cancel, because  
27 to pick and choose -- to pick one reason out  
28 of a police report, it may be that whatever  
29 we thought that may be the strongest reason,  
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1 that reason may collapse on the hearing, so we  
2 now ---

3 THE COMMISSIONER: I think very wise.

4 A. We include all the allegations.

5 MR. ASTBY: Incidentally, speaking of  
6 including all the allegations, I notice that  
7 in this police report of Omega there is  
8 evidence of an interview where the man said  
9 he sold the club to a man named Harry Mannis,  
10 on the first page, third paragraph, evidence  
11 of the sale of the Omega Club, and that  
12 occurred shortly after its incorporation,  
13 but I don't see any reference to that in  
14 subsequent departmental work dealing with  
15 that club.

16 A. No. I think -- I think, Mr.  
17 Astey, that again if I may clarify for  
18 your knowledge, and his lordship's knowledge,  
19 early in May when Mr. Cadney returned from  
20 his lengthy illness we had a discussion  
21 which really turned about two general things.  
22 I asked him to review all the specific  
23 files which were in the -- in the Department,  
24 so that we could take action on them, and  
25 I think the evidence will show that he went  
26 around and gathered up all the outstanding  
27 reports, and then subsequently we took  
28 action, and then I discussed with him --  
29 this dealt with specific instances, and I  
30





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1 suggested to him that after a while we would meet  
2 together to deal with -- with matters relating  
3 to policy generally as to the -- to the form  
4 that the -- the forms that the Department  
5 would follow. I, by this time, was becoming  
6 aware of some of the difficulties and the  
7 problems concerning the Department, and  
8 Mr. Gudney had had a long experience in  
9 these things, and I think I used the words  
10 that he, with his experience, and my sort  
11 of coming in with a -- with a new look seeking  
12 out some of these answers -- to different  
13 questions to which he would give me answers,  
14 that perhaps he and I could evolve some new  
15 aspects to strengthen both the arm of the  
16 police and our departmental procedure, and  
17 I think it was subsequent to that that we  
18 evolved this policy of the form of a  
19 cancellation letter.

20 Q. Well, in any case, it was not  
21 applied in the Omega instance, was it?

22 A. No.

23 Q. All right. Now, then, in order  
24 to not be here for several days, Mr. Yaremko --

25 A. I am at your disposal, Mr. Reedy.

26 Q. I don't want to shut you off, or  
27 appear to become impatient, but will you  
28 answer my questions and we will get through  
29 this very quickly.  
30

[illegible]





1 A. I thought for his lordship's  
2 assistance to give him the complete background.

3 Q. We appreciate it. You raised  
4 the question about procedures in this matter,  
5 possibly having discussed it I think it is  
6 obvious, and you no doubt agree that if  
7 there is gambling going on in these clubs  
8 that any delay of cancelling the charter  
9 merely plays in the hands of those improperly  
10 using the charter? That is obvious,  
11 isn't it? You agree with that?

12 A. On the ---

13 Q. Delay only profits the gamblers?

14 A. Well, it gives him an opportunity  
15 to continue their activities.

16 Q. All right. Now, then, when we  
17 look over the cancellation procedure, it  
18 has come up in many, many files here, Mr.  
19 Yarenko, and which you listened to, it  
20 appears that you send out the notice, and  
21 if some one wants a hearing, you hold a  
22 hearing, and then you transcribe the  
23 evidence of the hearing, and you circulate  
24 the evidence. It goes to the police,  
25 it goes to the person representing the  
26 club, the solicitor or an officer ---

27 A. There was some question whether  
28 that was ---

29 THE COMMISSIONER: Let him finish, Mr.  
30



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1 Yarenko.

2 MR. ESTEY: Mr. Yarenko, it goes to the  
3 Attorney General's Department, but in any case  
4 this involves great delay. Now, this doesn't  
5 occur, of course, in courts, and I am wondering  
6 why you continue that policy of circulating  
7 these transcripts.

8 A. The Minister is not present at  
9 the hearing, and yet that is fundamentally  
10 the basis for the conclusions on which he  
11 reaches his determination. I have asked  
12 Mr. Cudney, the Deputy, to place before me  
13 when I am -- when I am dealing with a file,  
14 everything to do with the file, the whole  
15 history of the file, the whole -- including  
16 the "C" file, but basically I have to be  
17 guided by the transcript of evidence.

18 Q. Now, that of course is not the  
19 question. The question is why do you send  
20 the transcript to the other solicitors?

21 A. In order to be sure that this  
22 matter upon which I am going to form my  
23 judgment is a correct transcript. It would  
24 be unfortunate if for example in the  
25 transcription there was something that was --  
26 that was manifestly an error, and yet I  
27 in reading the transcript must accept the  
28 transcript as being what occurred.

29 Q. All right. Now, then, after the  
30







1 transcript is circulated in your normal procedure  
2 do you have further argument?

3 A. Not to my knowledge, no.

4 Q. Then how does the solicitor complain  
5 about the transcript?

6 A. Well, I would assume that having  
7 been sent the transcript that he would read it,  
8 and if there was something manifestly wrong,  
9 or an error of any kind, that he would  
10 bring that to the attention of the Deputy.  
11 We haven't had such an instance.

12 Q. No, and even so, notwithstanding --  
13 I was going to ask you, they are taken by  
14 Court Reporters?

15 A. Yes, sir, absolutely.

16 Q. And if as a result of the ---

17 MR. WILSON: Well, we had a witness  
18 write me a letter to explain about twenty  
19 errors.

20 MR. ESTEY: Well, then, Mr. Yarenko, as  
21 a result of the hearing, and it concludes  
22 with an argument by counsel, and argument  
23 by the person representing the Department,  
24 is that right?

25 A. Yes.

26 Q. Evidence and argument?

27 A. Yes.

28 Q. And then Mr. Cudney makes a  
29 recommendation to you?

*[Faint handwritten notes at the bottom of the page]*





1 A. Well, he brings the whole matter to  
2 my attention, the whole file.

3 Q. Does he make a recommendation?

4 A. He may, or he may not. You would  
5 have to study each of the -- each of the  
6 reports.

7 THE COMMISSIONER: Well, we have evidence  
8 that in some instances at least he made  
9 recommendations?

10 A. Yes.

11 MR. ESTEY: If he doesn't make a recommen-  
12 dation, do you ask him for one?

13 A. Absolutely.

14 Q. I see. So, one way or another,  
15 he makes a recommendation?

16 A. The procedure is that he sends the  
17 material to me ahead of time, with a synopsis  
18 of the matter, because some of these files  
19 become pretty lengthy. I start and read  
20 all the material to acquaint myself with the  
21 file. Having read it, and perhaps digested  
22 it, then I meet with Mr. Cudney and we  
23 discuss the file, and invariably, based on  
24 his experience, which has been considerable,  
25 he may make -- whether you call it a  
26 recommendation, suggestion, or what, it is  
27 based, we have a talk back and forth, and  
28 then I make a decision.

29 Q. Yes. All right.  
30



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1 THE COMMISSIONER: Well, now, just a  
2 moment. You don't read -- I suppose some of  
3 those hearings are very long?

4 A. They are exceptionally long.

5 Q. A very substantial volume of  
6 evidence?

7 A. Very substantial, my lord.

8 Q. As Minister you have got so many  
9 duties, I wondered if you bothered reading  
10 the whole evidence, or do you read the  
11 Deputy Minister's digest of it?

12 A. I -- my procedure has been to read  
13 his digest first, to learn what is the nature  
14 of it, and then I read everything in the file  
15 from start to finish.

16 Q. All the evidence?

17 A. Every -- all the evidence. The  
18 whole file. That is not just the evidence,  
19 but all of the background, and then I --  
20 then I go back to his -- to his summary. I  
21 start with his summary, read every word in  
22 the file to the best of my ability, then  
23 read the -- read his summary, then I meet  
24 with him to discuss it.

25 Q. No wonder you are working seventeen  
26 hours a day, as you said.

27 A. Well, I wanted to make sure that  
28 when my decisions were made, your lordship,  
29 that they were -- that they were as  
30





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1 conscientiously made as I could possibly do so.

2 MR. ESTEY: Having in mind all that  
3 labour, why didn't you hold the hearings  
4 yourself?

5 A. As a matter of fact, the -- the  
6 difficulty would be this, that the time of a  
7 Minister ---

8 Q. I see. All right.

9 A. That a Minister has so many divisions  
10 of function that he cannot be in all the  
11 places, and I may say that if the House  
12 were in Session, and things of that kind,  
13 the delay would be even greater.

14 Q. You have not held any?

15 A. I haven't held hearings, no.  
16 That is not required by law.

17 Q. I asked you this question of  
18 delay because it is a matter of argument.  
19 There are many, many cases where there have  
20 been long delays, the Club Bernard heads  
21 that list, because it took from 1955 to 1961  
22 to cancel it, and I am asking you whether  
23 or not, Mr. Yaremko, departmental policy,  
24 in the light of these rather alarming  
25 delays we have been going into this morning,  
26 whether you are considering changing your  
27 policy?

28 A. In cancellation procedures?

29 Q. Yes.  
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1 A. Well, we are going to -- we are --  
2 we are always attempting to speed up all the  
3 procedures within the Department.

4 Q. All right.

5 A. Every aspect.

6 Q. There is no change of policy now  
7 before the Department, I take it, for hearings  
8 and transcripts?

9 A. No, we are going to -- not to my  
10 knowledge. I haven't discussed it. We are  
11 going to do our best as we have, Mr. Estey,  
12 during the past years, to come to grips  
13 everytime as quickly as we can.

14 Q. All right. Now, ---

15 A. The Omega there is a good example.  
16 There was ---

17 THE COMMISSIONER: All right. All right.  
18 Now we have the history of the Omega.

19 MR. ESTEY: Now, dealing with the actual  
20 operations of these clubs by the gamblers, and  
21 I am obviously going from the reports on the  
22 record, I take it that it is common ground  
23 that what is happening is that the improper  
24 use of these charters is going on inside the  
25 corporate shell, as it were, but not  
26 necessarily in contact with that shell? Do  
27 I make myself clear?

28 THE COMMISSIONER: No, at least not to  
29 me you don't.  
30

[illegible]





1 MR. KSTKY: Well, let me put it this way  
2 to you, Mr. Yarenko: In the evidence that we  
3 have seen in most of these files, there is an  
4 atmosphere created by the evidence that it  
5 is not the club through its officers, president,  
6 secretary and so on, who actually sit down at  
7 the table and run a game, that the game  
8 infiltration seems to be almost as a kind  
9 of concession in the club, without  
10 necessarily very direct contact with the  
11 operations of the corporation as a corporation.  
12 Did you observe that in your analysis of  
13 these clubs? Did you cancel many of them  
14 for gambling? Did you observe that?

15 A. Well, it is the -- the cause for  
16 cancellation invariably, as you will see by  
17 the history of these, that I have had to  
18 cancel upon some specific -- some specific  
19 reason.

20 Q. Well, you have had forty-three  
21 for gaming?

22 A. Forty-three for gaming, and  
23 about I think two-thirds have been for gaming,  
24 and one-third have been for other reasons.

25 Q. All right. Let's deal with  
26 those two-thirds. In the cases involving  
27 those forty-three gaming clubs, is it not a  
28 fair generalization, and an accurate one,  
29 that these cancellations have not occurred  
30





1. The first part of the report deals with the general situation of the country and the progress of the work of the Commission.

2. The second part deals with the work of the Commission in the field of the study of the history of the country.

3. The third part deals with the work of the Commission in the field of the study of the geography of the country.

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5. The fifth part deals with the work of the Commission in the field of the study of the social and economic conditions of the country.

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7. The seventh part deals with the work of the Commission in the field of the study of the language of the country.

8. The eighth part deals with the work of the Commission in the field of the study of the literature of the country.

9. The ninth part deals with the work of the Commission in the field of the study of the art of the country.

10. The tenth part deals with the work of the Commission in the field of the study of the science of the country.



1 by reason of gaming activities inside the club,  
2 at the club premises, but not involving  
3 officers of the club, not in any way tied in  
4 to the accounting machinery of the club?

5 A. Not -- not to my knowledge, no.  
6 Not tied in with the accounting machinery of  
7 the -- of the club. As to officers, perhaps  
8 that -- you would have to make a scientific  
9 analysis of every one.

10 Q. Of every one to ---

11 A. Every one of them. You have  
12 named some thirty-three. Now, to my  
13 knowledge I think out of all the cancellations  
14 there were only four based on the conviction  
15 of the club.

16 Q. Yes?

17 A. And it might have been that all  
18 those instances the charges were laid  
19 against individuals, and plus the club, and  
20 that the club was convicted. I don't know.

21 Q. Well, there is ---

22 THE COMMISSIONER: It has occurred to me  
23 that this perhaps was one reason why you did  
24 not base the cancellation on the gambling  
25 as reported by the police departments to  
26 your department, but you thought it safer  
27 to put it on some other ground, namely, loss  
28 of corporate powers, and so forth. Am I  
29 right in that?  
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1 A. Yes, we have developed a -- as you  
2 will see, your lordship, in the section of the  
3 brief dealing with cancellation, causes for  
4 cancellation, various categories, and they  
5 have been added to from time to time as  
6 our experience has shown is necessary.

7 Q. You are not answering my question.  
8 Mr. Estey has been pointing out to you that  
9 in many instances there have been gambling  
10 operations on the premises, not necessarily  
11 by officers of the club, and without evidence  
12 of acquiescence, if you like, by the club  
13 itself, or direction by the club itself,  
14 sharing of the profits by the club itself,  
15 that is what Mr. Estey meant when -- I  
16 understand him now, when he said operations  
17 within the shell of the club, but not touching  
18 the shell. Now, I am suggesting to you  
19 that perhaps that may have been -- I am  
20 enquiring from you, let's put it that way,  
21 if that was one of the reasons why you  
22 chose to cancel for other reasons than  
23 gambling in cases where you had evidence  
24 of gambling?

25 A. Yes, my lord.

26 MR. ESTEY: I think on page 20 of  
27 Exhibit J you have eighteen such causes?

28 A. Yes.

29 Q. Yes. Well, now, as this of course  
30



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The first of the following is a list of the names of the persons who have been admitted to the University of Michigan since the year 1817. The names are arranged in alphabetical order, and the year of admission is given in parentheses after each name. The names of the persons who have been admitted to the University of Michigan since the year 1817 are as follows: (1817) John Smith, (1818) John Doe, (1819) John Brown, (1820) John Black, (1821) John White, (1822) John Green, (1823) John Grey, (1824) John Gold, (1825) John Silver, (1826) John Copper, (1827) John Iron, (1828) John Lead, (1829) John Tin, (1830) John Zinc, (1831) John Nickel, (1832) John Cobalt, (1833) John Nickel, (1834) John Cobalt, (1835) John Nickel, (1836) John Cobalt, (1837) John Nickel, (1838) John Cobalt, (1839) John Nickel, (1840) John Cobalt, (1841) John Nickel, (1842) John Cobalt, (1843) John Nickel, (1844) John Cobalt, (1845) John Nickel, (1846) John Cobalt, (1847) John Nickel, (1848) John Cobalt, (1849) John Nickel, (1850) John Cobalt, (1851) John Nickel, (1852) John Cobalt, (1853) John Nickel, (1854) John Cobalt, (1855) John Nickel, (1856) John Cobalt, (1857) John Nickel, (1858) John Cobalt, (1859) John Nickel, (1860) John Cobalt, (1861) John Nickel, (1862) John Cobalt, (1863) John Nickel, (1864) John Cobalt, (1865) John Nickel, (1866) John Cobalt, (1867) John Nickel, (1868) John Cobalt, (1869) John Nickel, (1870) John Cobalt, (1871) John Nickel, (1872) John Cobalt, (1873) John Nickel, (1874) John Cobalt, (1875) John Nickel, (1876) John Cobalt, (1877) John Nickel, (1878) John Cobalt, (1879) John Nickel, (1880) John Cobalt, (1881) John Nickel, (1882) John Cobalt, (1883) John Nickel, (1884) John Cobalt, (1885) John Nickel, (1886) John Cobalt, (1887) John Nickel, (1888) John Cobalt, (1889) John Nickel, (1890) John Cobalt, (1891) John Nickel, (1892) John Cobalt, (1893) John Nickel, (1894) John Cobalt, (1895) John Nickel, (1896) John Cobalt, (1897) John Nickel, (1898) John Cobalt, (1899) John Nickel, (1900) John Cobalt.

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1 could be borne out by proving -- by a post mortem,  
2 as it were, when the charter is cancelled.  
3 What happens to the assets of these clubs  
4 when the charter is cancelled?

5 A. If there are any assets I would  
6 imagine they are forfeited to the Crown. I  
7 am not aware of any.

8 Q. No, I haven't heard of any that  
9 had any assets.

10 A. They don't usually have assets.

11 THE COMMISSIONER: I think that was one  
12 of the criticisms, that they didn't have  
13 any assets.

14 MR. ESTEY: I am just wondering whether  
15 the Crown had gotten any assets at the end  
16 by taking up the assets developed through  
17 the gambling but that isn't really what the  
18 Act says, is it? What the Act says in Part III ---

19 THE COMMISSIONER: They may have had  
20 some accounts receivable, Mr. Estey.

21 MR. ESTEY: Yes. They should have had,  
22 if there is any contact between the gambling  
23 and the shell, there should have been some  
24 receivables. I think 115 says that a  
25 corporation may pass by-laws covering  
26 distribution on dissolution, and they must  
27 file these by-laws. Now, my question is  
28 this, has anybody filed such a by-law  
29 with you?  
30





113



1 A. No. I -- I think, Mr. Estey, if I  
2 might just take a moment -- if I might just  
3 take a moment, perhaps we can ---

4 Q. Perhaps I can help you.

5 A. 330. Section 330 be of any assistance  
6 to us?

7 Q. I think we find it in 115, Mr.  
8 Yarenko.

9 A. Well, that is -- that is a by-law.  
10 I see Section 330 says forfeiture of undisposed  
11 property.

12 "Any real or personal property of a  
13 "corporation that has not been disposed  
14 "of at the date of dissolution is  
15 "forfeit to the Crown."

16 Q. Well, let's eliminate them one  
17 at a time. You haven't come into any  
18 property by reason of that section in respect  
19 of this Part III, clubs on cancellation,  
20 have you?

21 A. Not to my knowledge.

22 Q. No. Then on 115 -- Section 115,  
23 they can pass a by-law to distribute assets  
24 to charitable organizations, and so on.  
25 Nobody has ever passed such a by-law and  
26 filed it, to your knowledge?

27 A. Not to my knowledge. Of course,  
28 my knowledge would be limited as compared to  
29 Mr. Gudney's.  
30



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1 THE COMMISSIONER: Well, the answer is,  
2 not to your knowledge.

3 MR. ESTEY: And then Section 109 says  
4 that corporations shall not be carried on for  
5 the purpose of gain, profit, or other  
6 accretions to the members, so that I am  
7 suggesting to you, Mr. Yarenko, that when  
8 you see the death of one of these corporations,  
9 and its intervening heyday in gambling  
10 appears, as we have seen from the police  
11 reports, that it is obvious that the illegal  
12 gambling activities are not connected to but  
13 are protected by the charter? Correct?

14 A. Well, they are carried on at the  
15 premises.

16 THE COMMISSIONER: Just a moment. No,  
17 I am not quite so sure that that is so.  
18 You were asking the witness, you are not  
19 asking me.

20 THE WITNESS: Would you mind repeating  
21 that question?

22 MR. ESTEY: Let me put it more clearly.  
23 The full cycle of life and death of these  
24 corporations, it starts with nothing and it  
25 ends up with nothing, and they can have  
26 three weeks, I think, to get rid of its  
27 assets, and we omitted the possibility that  
28 the assets have gone to the Crown on forfeiture,  
29 and there has been no by-law filed with the  
30



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1 Department covering distribution of the profits  
2 mentioned in Section 115, therefore I say it  
3 is obvious, is it not, that the charter has  
4 been a sham throughout, and that the gambling  
5 activities it involved really have been  
6 carried on inside the company, but not by  
7 or for the company?

8 THE COMMISSIONER: This was suggested a  
9 long time ago in these hearings in connection  
10 with the Centre Road Club, I think it was.

11 MR. ESTEY: Yes. Well, I would like  
12 to hear what the Department's view on that is.

13 A. Well, actually, not having read  
14 all of the reports that have been dealt with  
15 by me in the last two years, I have come to  
16 a conclusion that -- that certain individuals  
17 have been carrying on certain activities on  
18 premises operated ostensibly by the club.  
19 Now, it is very difficult -- it is very  
20 difficult of these -- for example, the twenty-  
21 nine, very difficult to pinpoint the individuals  
22 who have benefited from it, because it would  
23 appear that certain individuals have been  
24 convicted of keeping a common gaming house,  
25 and to have been convicted of that they must  
26 of necessity have been violating one of the  
27 functions which are listed in the Criminal  
28 Code. That is a rake-off, or being a banker,  
29 one of the prohibitions must -- ten cents for  
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1 instance. For example, like the Bathurst-Sheppard --  
2 Bathurst-Sheppard, in which the reason was  
3 that they contravened the provisions of the  
4 charter by charging more than ten cents an  
5 hour.

6 THE COMMISSIONER: It is way after 1.00  
7 o'clock. I didn't recognise that.

8 A. In that instance --

9 THE COMMISSIONER: Unless my watch is  
10 wrong, it is twenty minutes after 1.00. 2.30.

11  
12 ---whereupon the hearing adjourned at 1.20 p.m.  
13 until 2.30 p.m.

14  
15  
16  
17 (Page 13500 follows)



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AA/FAL/1

1 ---On resuming at 2.45 o'clock p.m.

2  
3 ---The witness resumed the stand.

4 THE COMMISSIONER: For the record, Mr.  
5 Reporter, police reports that were referred  
6 to in evidence this morning are now being  
7 marked as follows:

8 Exhibit No. 295-A is the Metro Police Report  
9 dated July 18th, 1960, re Somerset Club.

10  
11 ---EXHIBIT NO. 295-A: Report dated 18th July, 1960,  
12 of the Metropolitan Toronto  
Police, re Somerset Club.

13 295-B is the report dated July 11, 1962,  
14 re Somerset Club.

15  
16 ---EXHIBIT NO. 295-B: Report dated 11th July, 1962,  
17 of the Metropolitan Toronto  
Police, re Somerset Club.

18 Exhibit 296-A is the report dated April 21,  
19 1960, re Omega Club.

20  
21 ---EXHIBIT NO. 296-A: Report dated 21st April, 1960,  
22 of the Metropolitan Toronto  
Police, re Omega Club.

23 And 296-B is the report dated April 27,  
24 1961, re Omega Club.

25  
26 ---EXHIBIT NO. 296-B: Report dated 27th April, 1961,  
27 of the Metropolitan Toronto  
Police, re Omega Club.

28 All right.

29 MR. KETBY: Mr. Commissioner, in the noon  
30







1 ed, I looked the reference up in the Omega  
2 file, the police report - that is, to the Atlas  
3 Club - which I was asking the witness about.  
4 It is in 296-A on page 2, the second paragraph  
5 from the bottom of that page. I want to  
6 read it. It refers to one Fred Biss being  
7 in charge of the Omega Club.

8 Then, on page 3, the fourth paragraph,  
9 it says:

10 "Investigations conducted on the  
11 "Atlas Club, 287 Spadina Avenue,  
12 "located several short blocks from  
13 "the former Omega Club location at  
14 "382 Queen Street West, reveal  
15 "that Fred Biss is a member and  
16 "invariably on the premises, being  
17 "in charge of the club on a number  
18 "of occasions."

19 The police report pulls these two clubs  
20 together, the same man is in charge of both.

21 THE COMMISSIONER: Yes.

22 You were asking Mr. Yarenko some general  
23 questions.

24 MR. BSTEY: Yes, sir.

25 On cancellation the property of these  
26 clubs goes somewhere and we came to the  
27 conclusion from my questions and your  
28 answers that these clubs, by and large,  
29 do without any assets. Then, I notice on  
30

AA/2





The first of these is the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.  
 This is due to a number of factors,  
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 necessary funds to meet its obligations.



1 page 24 of your Exhibit 253, your brief, in  
2 which you say you abandoned the real estate  
3 policy. So, it is no longer required after  
4 1956 that the applicants assert one of the  
5 reasons they want incorporation is to hold  
6 real estate. At the top of page 24 you go on  
7 and say:

8 " . . . further the Department would

9 "no longer enquire as to the reasons

10 "why incorporation was desired: . . . "

11 Is that the policy to-day?

12 A. Yes, we do not enquire, to my  
13 knowledge, as to the reason for incorporation.

14 Q. Right. Now, let us change to  
15 something else. We have seen two or three  
16 instances where corporations have been named  
17 in adverse reports of one kind or another  
18 and prosecutions are in train. Then,  
19 cancellation proceedings start and are held  
20 up on the request of the club solicitors,  
21 usually. I have in mind the Parthenon and  
22 the Arlington Club, and one or two others.  
23 Your policy in some instances is to hold up  
24 the cancellation proceedings; and in other  
25 instances you do not hold them up. Latterly  
26 your Department has written what amount to  
27 letters suspending the cancellation pending  
28 the criminal appeal.

29 A. Mr. Estey, I do not think you  
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A. Yes, we are ...  
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1 have clearly summed up the situation.

2 Until the beginning of this year it was  
3 the policy of the Department that if we  
4 instituted cancellation proceedings and the  
5 matter came to trial in any other court  
6 that we would not proceed until the -- these  
7 proceedings had been disposed of.

8 Your lordship, if I may --

9 THE COMMISSIONER: Q. Just let me  
10 interrupt you. I am not so sure I appreciate  
11 what you are talking about. Until the  
12 beginning of 1962 if you instituted  
13 cancellation proceedings; on what footing,  
14 or for what cause?

15 A. On any cause, say, other than a  
16 notice of conviction.

17 Q. Just a moment. For any cause  
18 other than conviction?

19 A. Yes.

20 Q. What did you do? This is prior  
21 to the beginning of this year. If you  
22 instituted cancellation proceedings for any  
23 cause other than convictions?

24 A. And in the meantime the police  
25 brought to our attention that charges were  
26 laid and a hearing was to be held, we held up  
27 the cancellation proceedings if the hearing  
28 was to be set until the Court charges had  
29 been disposed of.  
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1 Q. Now, let me put that in my language  
2 so I will be sure I understand you. And in  
3 the meantime if police reported a conviction?

4 A. Any charges having been laid be  
5 tried.

6 Q. All right. Charges pending and  
7 yet no conviction?

8 A. And yet no conviction.

9 Q. What did you do?

10 A. We held up action until the trial  
11 was disposed of. As indicated <sup>in our</sup> brief, your  
12 lordship, we treated the matter as sub judice  
13 and on the first day of the sitting of this  
14 Commission I heard expressed by yourself  
15 the feelings which I do subscribe to, as  
16 follows, and I quote your own remarks:

17 "I do not want the proceedings of

18 "this Commission to cut across,

19 "so to speak, that pending trial.

20 "I have made some enquiries as

21 "to when that trial will probably

22 "terminate, and perhaps one man's

23 "guess is as good as another's,

24 "but it will be a matter of a few

25 "days, in any event. I think

26 "it would be improper for me to

27 "proceed now to hear witnesses

28 "whose evidence might cast

29 "reflections that might operate  
30

AA/3



[illegible]



1 "adversely on persons elsewhere, and  
2 "subject to what counsel may suggest  
3 "to me, my view is the public  
4 "hearings of this Commission should  
5 "stand adjourned until the completion  
6 "of that trial."

7 That is about the way I felt in taking  
8 the policy of the Department which had been  
9 laid down prior to my having become Provincial  
10 Secretary.

11 Q. But I was dealing with one  
12 situation. You were dealing with another.  
13 What I was dealing with was evidence -- possible  
14 evidence before me that might result in an  
15 unfair trial of the accused. That, as I  
16 appreciate at the moment, is quite  
17 distinguishable from what your position  
18 was.

19 Let me try and make that plain: If  
20 your Department was proceeding with  
21 cancellation proceedings for a cause such  
22 as this, loss of original corporation powers,  
23 that would have nothing to do, surely, with  
24 whether or not the accused committed some  
25 criminal offence such as gambling on the  
26 premises. Would it?

27 A. Yes, it would.

28 Q. In what respect?

29 A. I think if you will take the  
30



The first of these is the fact that the  
 Government has been unable to secure  
 the necessary funds to carry out its  
 policy of non-interference in the  
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 Government has been unable to secure  
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 policy of non-interference in the  
 internal affairs of the country.





1 situation of proceedings which you mentioned,  
2 where the cause is forfeiture of corporate  
3 powers. If the accused has been charged  
4 with illegal gaming under the Criminal Code  
5 one of the defences which is open to him  
6 is that the premises -- the place on which  
7 this alleged illegal activity was continued  
8 was the premises of an incorporated bona fide  
9 social club. If, in the meantime, we held  
10 a hearing and we come to a conclusion, the  
11 Minister finds as a matter of fact, prior  
12 to the case being disposed of, that there  
13 was a forfeiture of corporate powers, then  
14 it is conceivable the Crown counsel might,  
15 when the defense of a bona fide incorporated  
16 social club was advanced by the accused,  
17 say, "That defense is not open to you, the  
18 Provincial Secretary has already declared  
19 that this club has forfeited its powers."

20 Q. I can see great difficulties,  
21 and perhaps scandal, arising out of that.  
22 Take any given club, call it the New Moon  
23 Club. Your Department has proceeded to  
24 cancel the charter on the ground that the  
25 powers of that corporation had been  
26 forfeited for non-user. While those  
27 proceedings are pending some one is charged  
28 with operating a gaming house on the  
29 premises of the New Moon Club. You thought  
30







1 you should hold up the cancellation proceedings  
2 pending that trial because the accused, as  
3 part of their defence, would rely upon the  
4 fact that this was a bona fide social club.

5 Now, let us assume that the defence  
6 succeeds on that ground and the charge is  
7 dismissed. Thirty days later you continue  
8 your cancellation proceedings on the grounds  
9 that the powers have been forfeited, and  
10 you find that they have been forfeited, and  
11 you cancel the charter.

12 Now, then, what is the result? The  
13 result, surely, must be this, that the  
14 accused escaped conviction on the ground  
15 that this was a bona fide social club in  
16 existence with corporate powers at the time  
17 of the alleged offence, when your subsequent  
18 investigation determined that it was not.  
19 Surely that would be a scandal.

20 A. My thoughts have only been  
21 directed towards this aspect in fairly recent  
22 times. This was the policy which had been  
23 laid down for some time.

24 Q. When I say that was a scandal, I  
25 am not using that as reflecting adversely on  
26 any one.

27 A. I appreciate that, my lord.

28 I bring to your attention this factor:  
29 There may be a loss of corporate powers by a  
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The following is a list of the names of the persons who have been elected to the office of the President of the United States since the year 1789. The names are given in the order in which they were elected, and the year of their election is given in parentheses. The names are given in the order in which they were elected, and the year of their election is given in parentheses.

George Washington (1789)  
John Adams (1797)  
Thomas Jefferson (1801)  
James Madison (1809)  
James Monroe (1817)  
John Quincy Adams (1825)  
Andrew Jackson (1829)  
Martin Van Buren (1837)  
William Henry Harrison (1841)  
Francis Pickens (1857)  
Abraham Lincoln (1861)  
Andrew Johnson (1865)  
Ulysses S. Grant (1869)  
Rutherford B. Hayes (1877)  
James A. Garfield (1881)  
Chester A. Arthur (1881)  
Grover Cleveland (1895)  
William McKinley (1897)  
Theodore Roosevelt (1901)  
William Howard Taft (1909)  
Woodrow Wilson (1913)  
Warren G. Harding (1921)  
Calvin Coolidge (1923)  
Herbert Hoover (1929)  
Franklin D. Roosevelt (1933)  
Dwight D. Eisenhower (1953)  
John F. Kennedy (1961)  
Lyndon B. Johnson (1963)  
Richard M. Nixon (1969)  
Jimmy Carter (1977)  
Ronald Reagan (1981)  
George H. W. Bush (1989)  
Bill Clinton (1993)  
George W. Bush (2001)  
Barack Obama (2009)  
Donald Trump (2017)



AA/4

1        bona fide social club.    For example, the New Moon  
2        Club receives its letters patent; reputable  
3        citizens; amongst other objects, social objects;  
4        and they continue in a flurry of interest for  
5        two or three years.    Then, perhaps the  
6        energetic president loses interest in it  
7        and the club takes no action -- no action  
8        for three years.    It ceases to operate.  
9        Files no returns.

10        Someone, who is a member, then suggests,  
11        "Well, we had -- we used to have a pretty good  
12        club.    We had met socially, our wives met,  
13        we had somewhere to go, we contributed to the  
14        community; let's start up again".    They  
15        start up again.    They could be a bona fide  
16        social club with none of the elements of  
17        gambling involved and, yet, they would be  
18        subject to cancellation because they had  
19        lost their corporate powers, not having  
20        operated during those -- during the period  
21        of two or three years.    I have discussed  
22        it with -- in fairly recent times with members  
23        of the council in the Department and it is  
24        a moot point, whether the words "bona fide"  
25        include the aspect of forfeiture of powers,  
26        although the evidence itself brought out  
27        may overlap.    It is a difficult situation  
28        because you have parallel proceedings, and  
29        I have gone into this to some degree, trying  
30



144

The first of these is the fact that the  
 government has been unable to  
 maintain a stable currency. This  
 has led to a loss of confidence  
 in the government and a  
 general feeling of despair.  
 The second is the fact that  
 the government has been unable  
 to maintain a stable  
 economy. This has led to a  
 loss of confidence in the  
 government and a general  
 feeling of despair. The third  
 is the fact that the  
 government has been unable  
 to maintain a stable  
 political system. This has  
 led to a loss of confidence  
 in the government and a  
 general feeling of despair.





1 to determine which authority should have, what  
2 I call, primary jurisdiction. I am one of  
3 those who have subscribed so strongly to the  
4 Courts and the rule of law that wherever a  
5 Court steps in, then I have adopted the policy  
6 of the Department of standing still until  
7 they have reached their conclusion. Now,  
8 whether that is a proper thing to do or not --

9 Q. Do you agree with me, a scandal  
10 could arise if an accused got off on the  
11 grounds that this was a bona fide social  
12 club still in existence with corporate  
13 powers and you holding later that it was not?

14 A. Yes, there would be a conflict  
15 of judgment and it may arouse questions as  
16 to who was right. Was the judge right or --

17 Q. No, it would not be a question  
18 of whether the judge was right or the jury  
19 was right. The judge acting at the trial,  
20 he takes the corporation as having still a  
21 corporate existence when, as a matter of  
22 fact, there are proceedings pending to  
23 determine that very question. Proceedings  
24 in which he has no jurisdiction. Have you  
25 debated that back and forth in your  
26 Department at all? When I say "debated"  
27 I mean, has it occurred to you that there  
28 might be what is referred to as a scandal?

29 A. Well, the matter has come up,  
30







1 arising out of the Arlington situation and these  
2 three corporations, the Arlington and the  
3 Parthenon and the Atlas.

4 MR. ESTAY: Q. There is a fourth one,  
5 isn't there, the New Canadian?

6 A. Well, the New Canadian had been  
7 dealt with. But, at the beginning of this  
8 year --

9 Q. The same letter has been written  
10 saying they are going to hold up pending the  
11 appeal?

12 A. Yes. At the beginning of this  
13 hearing we had the Arlington, Parthenon and  
14 Atlas before the Department. In two of  
15 those instances we had commenced proceedings;  
16 Arlington on the basis of forfeiture and, then,  
17 it was brought to our attention charges were  
18 pending and we held up our proceedings.  
19 Then, there were convictions registered. In  
20 the meantime, the Atlas came into the picture  
21 and there was a conviction registered. So,  
22 now, we have three clubs in which convictions  
23 have been registered. The solicitors  
24 notified the Department they are now appealing  
25 those convictions.

26 When the Atlas came to my attention  
27 from the Deputy Provincial Secretary, notice  
28 of conviction was given, we commenced  
29 proceedings. An appeal was filed and we  
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1 wrote to Chief Mackey, saying, "We are holding  
2 up proceedings until the appeal is disposed of".  
3 Then, we received a report from Chief Mackey  
4 enclosing a report of Inspector Thurston, the  
5 senior man in charge of this --

6 THE COMMISSIONER: Q. District?

7 A. District, the whole of Metro.  
8 These matters we are dealing with. And he  
9 takes a very strong point of view, the fact  
10 that the conviction is under appeal should  
11 not prevent the Provincial Secretary from  
12 continuing his cancellation proceedings.

13 Q. Based on some other cause?

14 A. In his instance it was based on  
15 the conviction. No, he said there are other --  
16 that his report shows there are other reasons.

17 Q. What reason?

18 A. Other convictions.

19 Q. Yes?

20 A. So, I took up the matter with --  
21 We had a lengthy discussion with -- Mr. Cudney  
22 and I because we wanted to make sure that  
23 whatever action we were dealing with was in  
24 keeping with the concept of British justice.  
25 That is one of the factors we have had in our  
26 Department continually in the background. I  
27 thought to myself, "Well, if a conviction is  
28 being appealed it is something similar to where  
29 a charge has been laid and not disposed of.  
30



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1. *Introduction*  
The purpose of this study is to  
investigate the effects of  
the various factors which  
influence the rate of  
growth of the human  
population. The study  
will be conducted in  
the following manner:

1. To determine the rate of  
growth of the human  
population in the  
past, present and  
future.
2. To determine the factors  
which influence the rate  
of growth of the human  
population.
3. To determine the effect  
of the various factors  
on the rate of growth  
of the human population.

2. *Method*  
The data for this study  
will be obtained from  
the following sources:  
1. The United Nations  
Population Statistics  
2. The World Bank  
3. The International  
Labour Office  
4. The Food and  
Agriculture Organization  
of the United Nations  
5. The World Health  
Organization  
6. The World Bank  
7. The International  
Labour Office  
8. The Food and  
Agriculture Organization  
of the United Nations  
9. The World Health  
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100. The Food and  
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of the United Nations





1 Perhaps we should wait. But, maybe Inspector  
2 Thurston has a point." So, that is why I  
3 asked Mr. Cadney to get in touch with the  
4 Attorney General's Department to advise us  
5 whether we were within our rights in  
6 continuing cancellation proceedings on other  
7 grounds while a conviction was being appealed  
8 from. Mr. Silk gave his opinion that we  
9 were within our rights.

10 So, having received that opinion, Mr.  
11 Cadney then began to put the machinery in  
12 motion to continue the proceedings on the  
13 basis of other than the convictions.

14 Now, I do not know whether --

15 MR. ESTEY: Q. I wonder if I should  
16 interrupt you? What he really did, on the  
17 25th of July he wrote to the Club and said  
18 if the Club ceased to operate he would  
19 continue. That is the question I am trying  
20 to get answered. We have four clubs in  
21 which the Department takes not an entirely  
22 consistent view.

23 A. The New Canadian had already  
24 been dealt with. The New Canadian Club we  
25 had --

26 Q. No, I interrupted you with regard  
27 to Atlas. The 25th of July, 1942, Mr.  
28 Cadney wrote advising the Club if they did  
29 not cease operations pending the appeal he  
30







1 would proceed.

2 A. Yes.

3 Q. We have the Parthenon, the Arlington  
4 and the Atlas all in that category. The New  
5 Canadian had been through the mill.

6 A. There had been a conviction and  
7 the appeal had quashed the conviction.

8 Q. Now, the New Canadian, it was  
9 moving without authority?

10 A. Yes. After the appeal had been  
11 disposed of we instituted proceedings for  
12 another cause.

13 Q. If you are going to cancel for  
14 something unrelated to the conviction, why  
15 wait?

16 THE COMMISSIONER: He has given the  
17 best explanation he can.

18 A. I have given the reasoning of  
19 the Department.

20 MR. BERRY: All right.

21 Q. In the other case, where you are  
22 dealing with the parallel proceedings, with  
23 the same offence: In the case of the  
24 Arlington Club and in the case of the  
25 Parthenon Club, you have said to the suspect  
26 corporation, "If you operate we will continue."  
27 What authority have you to write that letter?

28 A. The authority. Well, perhaps  
29 it was -- I do not know what the authority  
30







1 was but I was going to take some action because  
2 I think the comparison is this -- or, the  
3 validity of this is that the date that, finally,  
4 Mr. Gudney and I received this -- came to the  
5 conclusion that we would take some steps to  
6 make sure that the club did not use the time  
7 period of either the trial or, in these  
8 three instances they were all identical, the  
9 three, the time for appeal, to continue  
10 operations. We sent the letter and, at  
11 the same time that Mr. Gudney was drafting  
12 the letter, having discussed it with me, that  
13 same afternoon I would imagine, the morality  
14 squad were making preparations to raid the  
15 Atlas Club. They did raid the Atlas Club --  
16 our letter was in the mail while they were  
17 raiding the Atlas Club and, as a result of  
18 that second raid, there were other charges  
19 laid.

20 Now, this is a field in which there is  
21 no -- very little jurisprudence, and I think  
22 Mr. Gudney and I more or less were thinking  
23 these things out together, we were exploring  
24 new fields. I said to him, "Inspector  
25 Thurston has brought to our attention that  
26 they are continuing their activities. This  
27 may, as in some instances, the Bellevue case  
28 is an example, they can drag this out. I  
29 do not want to be in a position where  
30







1 proceedings are held up in this office and a club  
2 is operating if it is within my power to stop  
3 them from operating until these matters are  
4 disposed of. Let us take that action."

5 Whether I have that authority or not is not  
6 clear in my mind; whether I have the authority  
7 to say to them, "You stop carrying on or we  
8 will continue proceedings". What was clear  
9 in my mind: I had a legal opinion at that  
10 time, which was subsequently joined in by  
11 the senior counsel of our Department, that we  
12 were within our rights to continue the  
13 proceedings.

14 THE COMMISSIONER: Notwithstanding the  
15 pending appeals?

16 A. Notwithstanding the pending  
17 appeals.

18 Q. That would be my view.

19 A. My position being this: If  
20 somebody thought I did not have that  
21 authority they could apply to the Court to  
22 issue an injunction or take whatever  
23 proceedings against me, as Minister, to  
24 prevent me, if I did not have that right,  
25 pending the disposal of the appeal.

26 Q. There seems to be some inconsistency  
27 there, and I am not saying this critically.  
28 You were struggling with a new situation;  
29 I accept your ~~sixth~~ statement. You start  
30







1 your proceedings on the ground of forfeiture of  
2 powers. If the powers have been forfeited  
3 they have no right to continue. That is so,  
4 isn't it?

5 A. Hm-hm.

6 Q. Yes. Then, there is a pending  
7 appeal following the conviction and you say,  
8 in substance, to them, "You have no right to  
9 continue so long as this appeal is pending."  
10 That, surely, is something quite different  
11 than your original position, in which you  
12 said, "You have no right to carry on at all".  
13 How does that appeal to you?

14 A. We have always treated the  
15 letters as being allegations; that is the  
16 position we have taken. The position in  
17 the letter which institutes cancellation  
18 proceedings is just an allegation on our  
19 part which has yet to be proved.

20 Q. That is right.

21 A. I hope I can make myself clear  
22 in fairly simple language, my lord. I take  
23 the position with the club that "If the  
24 Department in its sense of the concept of  
25 British justice is holding up proceedings  
26 which it has instituted, you should, in the  
27 meantime, discontinue your operations".

28 Q. I understand what you did.

29 A. I may say, this was a new problem  
30







1 brought about by reason of the fact that --  
2 It was not brought about by the Arlington or  
3 the Parthenon, it was brought about by the  
4 Atlas Club. The Atlas Club, we had  
5 instituted proceedings. As a matter of  
6 fact, they were started because Mr. Cudney  
7 brought to my attention or I brought to his  
8 attention a newspaper clipping. We wrote  
9 to Chief Mackey and he said, "Yes, there was  
10 a raid there and charges are pending". We  
11 got a report of the convictions and, then,  
12 we instituted our proceedings, based on the  
13 conviction. The solicitor then said, "Do  
14 not proceed on the basis of the conviction  
15 because we are appealing". We notified  
16 Chief Mackey we were holding up proceedings  
17 based on the conviction until the appeal  
18 had been disposed of.

19 Q. I know what happened.

20 A. Then, Inspector Thurston replied,  
21 saying, "Well, regardless of whether --  
22 regardless of whether they are convicted  
23 or not there are other grounds". So, I  
24 looked at it and Mr. Cudney wrote back to  
25 Chief Mackey and said, "Regardless of how  
26 the appeal turns out we will hold a hearing  
27 to determine whether there are other grounds,  
28 but we still have not -- we still are  
29 holding up proceedings". In the meantime,  
30

The first of these is the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.  
 This is due to a number of factors,  
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 has been unable to raise the necessary  
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 factors, including the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.





1 from my own knowledge, I am enquiring from him,  
2 "Are they operating, as a matter of fact?"  
3 Chief Mackey sends back the report in which  
4 Inspector Thurston again recommends there  
5 be cancellation and reports that they are  
6 continuing their activities. That is when  
7 I took up with Mr. Gudney and we were confronted  
8 with the Atlas Club, where there was a  
9 conviction, which was the basis of the  
10 initial letter, and an appeal from that  
11 conviction. That is when I said to Mr.  
12 Gudney we should get the opinion, because  
13 Chief Mackey, when we were enquiring why  
14 they were operating, I do not think was  
15 aware of the fact why I was enquiring,  
16 because I was getting this opinion from the  
17 Attorney General's Department. Mr. Gudney  
18 gave me the message that we were within our  
19 rights to continue <sup>even</sup> if an appeal is pending.

20 So, then, I said to Mr. Gudney, "Let  
21 us do that with the Atlas case because I  
22 can see the Atlas continuing its operations  
23 for a considerable period of time while  
24 various appeals take place in Court, quite  
25 properly", and the situation did not appeal  
26 to me. I said, "We will proceed -- we will  
27 tell them if they continue to operate we will  
28 continue to cancel". Having once determined  
29 that on the Atlas case, because we had two  
30

AA/6



I have no other words to say to you, my dear, but that I am ever  
 your affectionate friend, and that I shall ever be  
 your obedient servant, as I have been since I was  
 first brought into the world. I am, my dear, your  
 ever faithful friend, and your ever obedient servant,  
 John.





1 similar situations in the Parthenon and the  
2 Arlington, which were dealing with all the  
3 time, Mr. Cudney's letters referred to the  
4 Parthenon, but on this reason the action  
5 was going on simultaneously. We wrote these  
6 letters. When we obtained the police reports,  
7 and Mr. Aste has referred to the reports,  
8 most of these reports came as having been  
9 elicited from the Department to see what  
10 was going on. When the report came they  
11 were carrying on that is when I said to Mr.  
12 Cudney, whether I directed him or we discussed  
13 it -- if I had that authority to comply then  
14 to stop I was at least going to make the  
15 try to see and let somebody else decide  
16 whether I had authority or not.

17 Then, Mr. Cudney proceeded to write and  
18 set hearings in the three instances. If my  
19 recollection serves me properly the new  
20 proceedings were not going to be based on  
21 the convictions but on new material.

22  
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24 (Page 13520 follows)





THE HISTORY OF THE	
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1 THE COMMISSIONER: I think I understand  
2 exactly what happened. What you say is merely  
3 repeating what the evidence is at the moment.  
4 Go ahead.

5 MR. ESTEY: I got a lot of mileage but  
6 did not get an answer. It was the Attorney-  
7 General's opinion you had authority to proceed  
8 with cancellation notwithstanding a pending  
9 appeal, or was it his opinion you must tell  
10 the club it must cease to operate pending an  
11 appeal? I think --- We will get the file.  
12 There is a summary in one of the ---

13 A. This is a memorandum from Mr.  
14 Cudney -- from Mr. Cussen -- it is July the  
15 16th, 1962.

16 Q. Which file?

17 A. In the Parthenon Social Club.

18 "The above club was incorporated  
19 "by letters patent under the Ontario  
20 "Corporations Act. Recently persons  
21 "were convicted of keeping a common  
22 "gaming house on the club premises.  
23 "I advised that the charter would  
24 "be cancelled and then we received  
25 "a letter from the solicitors for  
26 "the club advising that the conviction  
27 "was being appealed. The appeal  
28 "has not as yet been disposed of."

29 And a memorandum from Mr. Cudney dated  
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Page 1

The following is a list of the names of the persons who have been elected to the office of the President of the United States since the year 1789. The names are given in the order in which they were elected, and the year of their election is given in parentheses. The names are given in the order in which they were elected, and the year of their election is given in parentheses.

George Washington (1789)  
John Adams (1797)  
Thomas Jefferson (1801)  
James Monroe (1817)  
John Quincy Adams (1825)  
Andrew Jackson (1829)  
Martin Van Buren (1837)  
William Henry Harrison (1841)  
Francis Pickens (1857)  
Abraham Lincoln (1861)  
Andrew Johnson (1865)  
Ulysses S. Grant (1869)  
Rutherford B. Hayes (1877)  
James A. Garfield (1881)  
Chester A. Arthur (1881)  
Grover Cleveland (1895)  
William McKinley (1897)  
Theodore Roosevelt (1901)  
William Howard Taft (1909)  
Woodrow Wilson (1913)  
Warren G. Harding (1921)  
Calvin Coolidge (1925)  
Herbert Hoover (1929)  
Franklin D. Roosevelt (1933)  
Dwight D. Eisenhower (1953)  
John F. Kennedy (1961)  
Lyndon B. Johnson (1963)  
Richard M. Nixon (1969)  
Jimmy Carter (1977)  
Ronald Reagan (1981)  
George H. W. Bush (1989)  
Bill Clinton (1993)  
George W. Bush (2001)  
Barack Obama (2009)  
Donald Trump (2017)





July the 20th to me:

" Referring to our recent  
"conversation in further reference  
"to the above club I wrote to Mr.  
"W.H. Common, Q.C., Deputy Attorney-  
"General, a copy of which letter is  
"attached, relative to the club,  
"in the meantime carrying on its  
"undertaking until the appeal of  
"the convictions was disposed of.  
"Mr. Eric Silk, Q.C., telephoned me  
"this morning & in respect to my  
"letter and said he was of the view  
"that we would be within our rights  
"to apprise the club that the charter  
"will not be cancelled until the  
"appeal is disposed of, provided that  
"the club did not, in the meantime,  
"carry on its undertaking.

" There are also appeals pending  
"in respect to the Atlas Club and  
"the Arglington Club and I am also  
"advised that in the two latter  
"instances, they are carrying on their  
"undertaking. Accordingly, the  
"same applies to all three clubs."

THE COMMISSIONER: That does not deal  
with the situation I was discussing with you  
at all. And your proceedings are to cancel on







1 the basis of a conviction, and then the conviction  
2 is appealed, and I would agree with you completely  
3 that until the guilt or innocence of the  
4 accused has been disposed of you should not  
5 receive cancellation on the basis of the  
6 conviction as that conviction is being appealed,  
7 and maybe reversed and acquitted.

8 But what I was discussing with you  
9 was quite a different matter. When proceeding  
10 to cancel for forfeiture I don't see a reason  
11 to hold up these proceedings by reason of  
12 a conviction.

13 A. If I may add the facts, the  
14 Parthenon Club, the proceedings were instituted  
15 in March of that year and the letter to the  
16 club the beginning of the proceedings, the  
17 cancellation was going to be on illegal  
18 gaming and forfeiture. That is where we start.  
19 The conviction came in and it was appealed.  
20 The final action having obtained this opinion  
21 from Mr. Silk that they were still operating,  
22 Mr. Cudney wrote to the club setting a date  
23 for the hearing and our hearing will be based  
24 non-user and illegal gaming ---

25 Q. Which were the original grounds?

26 A. Plus three, that the corporation  
27 is continuing to operate contrary to my  
28 letter of July 25th, 1962. We take the  
29 position we are within our rights to consider  
30



[illegible]



1 cancellation proceedings when there is an  
2 appeal which means we are being in the right  
3 when a charge is being disposed of if we  
4 proceed not on the basis of convictions but  
5 other basis. That has arisen in the year 1962  
6 because of the set of circumstances pertaining  
7 to those three particular clubs.

8 MR. ESTEY: Q. Coming down to the  
9 Arlington Club. I want to know what happened  
10 after Mr. Gudney advised you on the 10th of  
11 September, 1962, that the police had reported  
12 the club still operating. What happened  
13 then?

14 A. The report came in August 23th,  
15 and there is a memorandum from Mr. Gudney  
16 to myself dated September 10th.

17 Q. That is right. That takes you  
18 back to February, 1962.

19 A. Yes. It includes --- Mr. Gudney  
20 then wrote to the club on the 25th of September.

21 THE COMMISSIONER: Never mind what he  
22 did then. I am thinking of another phase of  
23 it. Supposing you did proceed with a hearing  
24 for cancellation and cancelled the charter  
25 by reason of a conviction because your advice  
26 from Mr. Silk was you could do that. That  
27 is as you understood it. Now then, not-  
28 withstanding that the appeal was pending you  
29 could still proceed on the basis of conviction.  
30



The first part of the document, which is the most important, is the one that I have just finished. It is a very long and detailed account of the events that have taken place since the beginning of the year. It is a very interesting and important document, and I am sure that you will find it very useful. I have also included a few other documents, which are also very interesting and important. I hope that you will find them all very useful.





1 A. His letter did not ---

2 Q. That is the way you interpreted  
3 it?

4 A. No.

5 Q. That is the way I thought you did.

6 A. That we were in our rights to  
7 continue our proceedings on other grounds,  
8 if there was such. We have the experience,  
9 your lordship, in the New Canadian Club.

10 Q. I want to get the principle on  
11 which you function. I put the case where  
12 you are proceeding to cancel on the grounds  
13 of conviction. That is a simple case, and  
14 there is an appeal launched against the conviction.  
15 What is your present policy?

16 A. Not to continue the cancellation  
17 proceedings until the appeal has been disposed  
18 of.

19 Q. Thank you.

20 And the next. You are proceeding to  
21 cancel on two grounds, one for forfeiture of  
22 powers, and conviction. An appeal against  
23 the conviction is launched and still pending.  
24 What is your present policy?

25 A. If the club continues to operate  
26 we will continue with our proceedings to cancel  
27 on the basis of other than the conviction.

28 MR. ESTEY: Q. You Why is it  
29 conditional upon them continuing to operate?  
30

[illegible]





BB/2

1       Isn't it in conflict with what you told  
2       his lordship a moment ago on the very same  
3       question?

4               A.       I don't recall any conflict.   Your  
5       lordship asked me what we were doing.

6               THE COMMISSIONER: I asked you what  
7       you did when proceeding to cancel on two  
8       grounds, forfeiture of powers and, (b), conviction  
9       in the case where there is an appeal against  
10      the conviction, and your present policy is  
11      to proceed with cancellation proceedings on  
12      the grounds of forfeiture?

13              A.       Yes.

14              MR. KUTRY: That is what I understood  
15      him to say. He said if they operate contrary  
16      to the edict under which they operate.

17              THE COMMISSIONER: Q. Is that right?  
18      Is your policy conditioned on whether or not  
19      they continue to operate?

20              A.       In these three instances.

21              Q.       No. I want to get the policy  
22      regardless of those three cases.

23              A.       Yes.

24              Q.       So that, where you are proceeding  
25      to cancel on (a) forfeiture of powers and  
26      (b) conviction, an appeal is launched against  
27      the conviction and still pending, then you  
28      proceed with your cancellation proceedings  
29      on the first ground only provided that they  
30







1 continue to operate. Is that right?

2 A. Yes.

3 Q. If they don't continue to operate,  
4 do you hold up the cancellation proceedings?

5 A. Yes, that would be the ---

6 MR. ESTEY: The next stage is a matter  
7 of argument.

8 THE COMMISSIONER: That is right.

9 MR. ESTEY: I will return to that with  
10 some emphasis later.

11 THE WITNESS: In these situations, three  
12 situations, we were not confronted with what  
13 we would have done in the three instances if  
14 they did not continue to operate. They continued  
15 to operate and we took the action.

16 MR. ESTEY: Q. We might be able to  
17 shorten this up, Mr. Yaremko. One thing I  
18 would like to ask you about. You will remember  
19 in the Queen City file, that is the next of  
20 the files, Queen City - Lakeview, there is a  
21 memorandum from Mr. Lavine and also Mr. Cudney  
22 to you in which they say, particularly Mr.  
23 Lavine, that the police have reported these  
24 clubs are interlocked and controlled by the  
25 same people. And he says that is the only  
26 ground the recommendation is made we cancel  
27 the charter. And you have written across  
28 the ~~has~~ bottom "Cancel Lakeview". Why  
29 would you not cancel the three of them or hold  
30







1 a hearing on all three? And get to the bottom?  
2 You ultimately did cancel.

3 A. In the Lakeview Club there was a  
4 conviction so, in discussing it with Mr. Lavine,  
5 I said go ahead and cancel Lakeview. I want  
6 further information on Ringside and Mr. Lavine  
7 wrote to Inspector Walker. That is the letter  
8 of February 10th.

9 Q. You have a report on the 18th of  
10 February?

11 A. March the 16th Mr. Lavine reported  
12 to me. The reason why the police wish the  
13 charters of the other two clubs to be cancelled  
14 is set out in the other two paragraphs of my  
15 letter of February the 10th.

16 Q. That is the one I am asking you  
17 questions about.

18 A. That is the one in which Mr.  
19 Lavine had summarized the report for me.

20 Q. And that is the one where he says  
21 the only grounds they have for that, it was  
22 controlled by the three people. Why not hold  
23 a hearing and see if that is correct and  
24 cancel them?

25 A. I am in the process of having  
26 Mr. Lavine get further information in order  
27 that I may come to that conclusion, which I  
28 subsequently did. On March the 16th Mr. Lavine  
29 reported to me. In the third paragraph of this  
30







1 letter he referred, Mr. Estey -- the third  
2 paragraph refers to this offer that was made.  
3 This memorandum of March the 16th refers to  
4 another memorandum. Subsequent to this letter.  
5 Exactly when it was, my recollection is that  
6 I telephoned -- It seems to me I telephoned  
7 Chief Hickey about these -- I may not have --  
8 It seems to me I may have called him about  
9 this and had a discussion with him and when  
10 Mr. Gudney, when I had the opportunity of  
11 taking this up with Mr. Gudney, we then decided  
12 to ask for a return of the books by the 25th --

13 THE COMMISSIONER: You are just repeating  
14 what the evidence already has disclosed. I  
15 don't need that. Did this occur to you, when  
16 it became apparent that an offer had been  
17 made to surrender the charter of the Ringside  
18 Club and the Queen City Club in return for  
19 a withdrawal of the charge against the individuals  
20 Bluestein, Binder and Zeldon, did this not  
21 occur to you: (a) the offer would be performed,  
22 would have been made by the lawyer with the  
23 consent of the officers of Ringside and Queen  
24 City, and that being so, they were using that  
25 charter as barter to enable the individuals  
26 Binder and Zeldon and Bluestein to escape the  
27 charges that were pending against them.  
28 Surely it was not intended the charter of  
29 the club could be used as a barter?  
30





1. The first part of the book is devoted to a general

introduction to the subject of the book.

2. The second part of the book is devoted to a

discussion of the various methods of the subject.

3. The third part of the book is devoted to a

discussion of the various applications of the subject.

4. The fourth part of the book is devoted to a

discussion of the various results of the subject.

5. The fifth part of the book is devoted to a

discussion of the various problems of the subject.

6. The sixth part of the book is devoted to a

discussion of the various theories of the subject.

7. The seventh part of the book is devoted to a

discussion of the various hypotheses of the subject.

8. The eighth part of the book is devoted to a

discussion of the various experiments of the subject.

9. The ninth part of the book is devoted to a

discussion of the various observations of the subject.

10. The tenth part of the book is devoted to a

discussion of the various conclusions of the subject.

11. The eleventh part of the book is devoted to a

discussion of the various suggestions of the subject.

12. The twelfth part of the book is devoted to a

discussion of the various remarks of the subject.

13. The thirteenth part of the book is devoted to a

discussion of the various questions of the subject.

14. The fourteenth part of the book is devoted to a

discussion of the various answers of the subject.

15. The fifteenth part of the book is devoted to a

discussion of the various solutions of the subject.



1 A. That is why I asked him to write  
2 to Chief Mackey to get further particulars.

3 Q. If you had information it was  
4 being used as barter, would that not be a good  
5 reason to cancel the charters?

6 A. Well, looking back, the reason I  
7 asked for further particulars I must have been  
8 thinking along those lines.

9 Q. The memorandum by Mr. Lavine has  
10 said he could see no reason for cancellation  
11 of the charters of Kingside and Queen City, and  
12 I suggest there was a very plain reason, namely  
13 that they were being used as barter.

14 A. That was Mr. Lavine's opinion.

15 Q. I know it was.

16 A. But we continued. I asked him  
17 to get further information and then I think  
18 I telephoned Chief Mackey who, on the basis  
19 of his experience, what we should do is get  
20 this special return. When going to take  
21 some action, we want to get as much information  
22 as possible, and we wrote the letter and they  
23 did not respond to the letter and the corporations  
24 were cancelled.

25 MR. ESTEY: Q. Now then, Mr. Yarensko,  
26 some  
27 I would like to take you through related  
28 questions and I hope your answers will be brief.

29 Have you any record of any prosecution  
30 of a Part III social club or its officers for



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1 failure to file a return, Section 3, subsections  
2 6 and 8 of The Corporations Act?

3 A. No.

4 Q. Have you any information on  
5 filing of false returns under either statute?

6 A. I have no such records.

7 Q. And no record of any prosecution  
8 of any person for filing a false affidavit  
9 of bona fides under Part III?

10 A. No.

11 Q. And no record of prosecution  
12 under Part III for failure to maintain the  
13 statutory records?

14 A. I have none such, no.

15 Q. Do you have any record of any  
16 cancellation of any social club under Part III  
17 for failure to file annual returns? Not  
18 special returns, annual returns?

19 A. I think there must be literally  
20 hundreds of those. I cannot give names.

21 Q. At page 91, the top of the page,  
22 in your brief, there is ---

23 A. What page?

24 Q. The very top part of page 91  
25 of the brief. I was just wondering -- If  
26 you don't know -- How many are Part III  
27 complaints?

28 A. I have enquired of our records  
29 officer and I would say maybe several hundreds  
30

1. The first part of the document is a list of names and addresses, which are arranged in two columns. The names are written in a cursive script, and the addresses are written in a more formal, printed style. The list includes names such as "John Smith", "Mary Jones", and "Robert Brown", along with their respective addresses in various cities and states.

2. The second part of the document is a series of short, handwritten notes or letters, each preceded by a number. These notes are written in a cursive script and appear to be personal or business correspondence. The notes are numbered from 1 to 10, and each one contains a few lines of text.

3. The third part of the document is a list of names and addresses, similar to the first part. The names are written in a cursive script, and the addresses are written in a more formal, printed style. The list includes names such as "John Smith", "Mary Jones", and "Robert Brown", along with their respective addresses in various cities and states.

4. The fourth part of the document is a series of short, handwritten notes or letters, similar to the second part. These notes are written in a cursive script and appear to be personal or business correspondence. The notes are numbered from 1 to 10, and each one contains a few lines of text.

5. The fifth part of the document is a list of names and addresses, similar to the first and third parts. The names are written in a cursive script, and the addresses are written in a more formal, printed style. The list includes names such as "John Smith", "Mary Jones", and "Robert Brown", along with their respective addresses in various cities and states.





1 each year would be Part III.

2 Q. Where you give notice and cancel?

3 A. Yes, the same as any other. We  
4 are in the process of catching up with those,  
5 and the last two years we have cancelled many  
6 corporations of which I would imagine the  
7 percentage are Part III corporations.

8 Q. Now, one further item. I would  
9 like you to turn to page 34 of your memo brief  
10 and you will see that deals with the 24 clubs  
11 which were made available to you by Commission  
12 counsel who in turn received them from Mr.  
13 Wintermeyer's counsel. The first part,  
14 you deal with clubs on which you had reported  
15 prior to 30th June, and the last part you  
16 say as of June the 30th, 1961, no complaints  
17 received from any source. Now, in respect  
18 to the Arlington Club, without re-opening  
19 that great fund of information, that company  
20 is now subject to proceedings to cancel by  
21 reason of something which occurred six years  
22 before 1961. Cancellation for non-user  
23 on the file as of 1955. Is that correct?

24 A. It is based on a report received  
25 in 1962.

26 Q. A report which told you nothing  
27 that was not on your file with respect to  
28 forfeiture. You had forfeiture evidence on  
29 your file in 1955 and so advised the club. Is  
30





2



1 that correct? You wrote the club in February,  
2 1962 to that effect.

3 A. I am not familiar with 1955.  
4 I don't understand that.

5 Q. There is a letter dated 9th  
6 February, 1962. Would you just tell the  
7 Commissioner ---

8 A. What date?

9 Q. 9th of February, 1962.

10 A. A letter, Mr. Gudney to the club.

11 THE COMMISSIONER: Yes, there was a  
12 letter February 9th, 1962, forfeiture for non-  
13 user.

14 MR. ESTEY: Q. That was based on events  
15 arising when? Prior to 1954. This is the  
16 club where you got a great deal of information  
17 in 1955, but it all went back to the 30's  
18 and 40's.

19 A. January 26th, 1962. I think  
20 his report was based on the police report.

21 MR. WILSON: Page 34 relates to complaints  
22 by the Metropolitan Police. It has nothing  
23 to do with what may appear on the file.

24 THE COMMISSIONER: I know they do. I  
25 understand that.

26 MR. ESTEY: Mr. Gudney's evidence was  
27 that letter is based on forfeiture. The  
28 evidence is it arose in 1955.

29 THE COMMISSIONER: Your point being, the  
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1. The first part of the report deals with the general situation of the country and the progress of the work during the year.

2. The second part contains a detailed account of the work done in the various departments and the results achieved.

3. The third part gives a summary of the financial position and the expenditure incurred during the year.

4. The fourth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

5. The fifth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

6. The sixth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

7. The seventh part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

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20. The twentieth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

21. The twenty-first part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

22. The twenty-second part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

23. The twenty-third part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

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26. The twenty-sixth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

27. The twenty-seventh part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

28. The twenty-eighth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

29. The twenty-ninth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.

30. The thirtieth part contains a list of the names of the persons who have been employed during the year and the work done by each of them.





1 charter could have been cancelled.

2 MR. ESTEY: In 1955.

3 Q. Do you agree with that, Mr. Yarenske?  
4 We can --- Perhaps it is on the Atlas Club.

5 A. I see a letter of August the 10th,  
6 1955, relating to the non-filing of annual  
7 returns from 1945 to 1955 inclusive.

8 Q. Atlas -- I don't think we need  
9 stop at that. We have seen that the Omega  
10 police files mention the Atlas Club.

11 A. Mr. Estey, I am not familiar  
12 with the full file. There had been failure  
13 to file annual returns.

14 THE COMMISSIONER: You are now speaking  
15 of the Arlington?

16 A. A failure to file annual returns  
17 does not necessarily mean that there has been  
18 a forfeiture of power as a club can continue  
19 to operate and function but omit to file annual  
20 returns, not only social clubs but share  
21 capital corporations. We could have cancelled  
22 for failure to file, and that letter was  
23 the initial step in the proceedings to cancel,  
24 for failure to file.

25 THE COMMISSIONER: Mr. Estey's point  
26 is you could have taken that step back in 1955.  
27 That is your point?

28 MR. ESTEY: That is my point.

29 THE COMMISSIONER: For failure to file.  
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1 THE WITNESS: Yes.

2 MR. ESTEY: Q. And the Bathurst-Sheppard  
3 Social and Athletic Club. There was an  
4 adverse report by the police on that when  
5 the application was made for incorporation,  
6 was there not?

7 A. That, ofcourse, depends on the  
8 interpretation of adverse report, Mr. Estey.  
9 That is the one where, I think it is referred  
10 to in detail in the brief, but my recollection  
11 is that the Metro police had no objection  
12 provided the usual clauses were put in, and  
13 the Ontario Provincial Police --

14 Q. They were opposed to granting  
15 as there was apparent lack of interest in  
16 athletics?

17 A. Stating that they were reputable  
18 citizens.

19 Q. Page 34 would indicate the Bathurst-  
20 Sheppard Club was not the subject of a police  
21 complaint, and there was --

22 THE COMMISSIONER: It was not adverse.  
23 It was conditionally adverse.

24 MR. ESTEY: They said opposed to granting  
25 of letters patent.

26 THE COMMISSIONER: I know. The Minister  
27 would decide that. There was not a statement  
28 from the police of any facts.

29 MR. ESTEY: There is no question of that.  
30







1 But this brief it would seem to me is a  
2 rather illusory document in that it says no  
3 complaint received by Metro police or any  
4 other Force with regard to the following 13  
5 clubs, but we know there is a complaint by  
6 the Ontario Provincial Police on the Sheppard  
7 file which says they are opposed to granting  
8 letters patent.

9  
10 THE WITNESS: That is where they appear  
11 to be of good character and responsible persons.

12 MR. ESTEY: Q. That is what Metro said.

13 A. The O.P.P.

14 Q. And this one has been cancelled,  
15 the Rathurst?

16 A. Yes. The report, December 6th,  
17 1961.

18 Q. After the cutoff date, and  
19 elsewhere in your brief you say no such club  
20 has been the subject of cancellation, but this  
21 came along after you wrote the brief?

22 A. That is right.

23 Q. No. 7, the Yong Shan Social Club.  
24 There is an adverse report on that in 1948,  
25 if my file is correct.

26 THE COMMISSIONER: Is that in the evidence  
27 so far?

28 MR. ESTEY: It was just touched on.

29 THE COMMISSIONER: I don't remember that  
30 one. There is the Chan Social Club. I don't







1 think that has been analyzed.

2 MR. LESTER: I have a note referred to  
3 in connection with another club in my discussion  
4 with Mr. Cudney on the Chinese Social clubs,  
5 and I have also read, on April 27th and May  
6 the 4th, 1948, there are rather strong reports  
7 against incorporating that club, so that it  
8 seems quite wrong to put in a public document  
9 that the Yung Shan Social Club -- You might  
10 bring the file in front of Mr. Yaremko.

11 A. There was a report in 1948.

12 THE COMMISSIONER: Q. Was it adverse?

13 A. I have just taken a glance. I  
14 have never seen it before. Yes. It was  
15 opposed to the granting.

16 THE COMMISSIONER: Q. On what grounds?

17 A. It says:

18 " Please be advised the records

19 "have been checked and no records

20 "regarding the applicants can be

21 "found ---"

22 It is hard to summarize at a glance, but there  
23 is relation to a number of people who were  
24 found-ins, and convictions against a man who  
25 was going to be the manager.

26 MR. LESTER: All right.

27 THE COMMISSIONER: All right, and then  
28 the next?

29 MR. LESTER: I thought I had another one,  
30







1 but I think I will drop it out.

2 THE WITNESS: I might say, Mr. Eatey,  
3 when we were confronted with the task of  
4 preparing a brief for you, we had no guidance  
5 as to the ramifications or scope you were  
6 going to go into, and when we wrote -- I  
7 think Mr. Gudney was in touch with Chief  
8 Mackey asking for all the complaints he had  
9 made in the last five years. We thought  
10 five years would be quite extensive to go  
11 into and he sent us a list of ten years'  
12 complaints, which is Appendix K. In discussing  
13 the brief with Mr. Gudney, I noticed the  
14 1st of July, 1950, was the start of a  
15 firm, all-around policy, with respect to clubs  
16 and our brief is prepared on the period --  
17 from 1st July, 1950. We have given voluminous  
18 statistics and plus the fact we accepted  
19 Chief Mackey's Appendix K for the basis of  
20 our statements, and when these things were  
21 being analyzed and trying to get in some sort  
22 of order, that was the basis.

23 If we attempted to go back to the  
24 beginning of time, we would have had an  
25 impossible task on our hands.

26 MR. EATEY: Q. There are other clubs,  
27 on the subject of your brief, and perhaps  
28 not in accord with your files, before leaving  
29 page 34. The Atlas Club, there were five  
30







1 adverse police reports prior to 1961. I  
2 think your file bears that out?

3 A. I know there were three or  
4 four after 1961, but most of which came as  
5 a result of our ---

6 Q. 1953, 1954, 1955, 1962, and  
7 that one is listed on page 34 as being a club  
8 which no one has complained about. It seems  
9 to me that must be wholly erroneous.

10 A. I took the matter up when we  
11 were preparing the brief, what we used, we  
12 had to use some sort of a basis. It was  
13 impossible to go through literally thousands  
14 of files and we used as a basis Chief Mackey's  
15 Appendix K.

16 Q. I just wondered about that.  
17 That is the basis for page 34. You say your  
18 files don't reveal that. You say Appendix K  
19 does not?

20 A. That is right.

21 Q. And on page 69 you say with  
22 regard to the Chinese Business Men's Cultural  
23 Society, page 69, the last paragraph says  
24 that no adverse report received by the Depart-  
25 ment with respect to this corporation from  
26 the police or anyone else. Now, without  
27 taking the time of the Commission to go through  
28 that file, I think a quick reference will  
29 show a recommendation that the charter be  
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1 cancelled on 2nd June, 1959, and there are  
2 other police reports on that file which are  
3 not favourable.

4 A. I was looking at the file --  
5 What was your ---

6 Q. The note I have is that the  
7 2nd of June, 1959, there is a report in which ---

8 A. That is the report on application  
9 for incorporation which we have gone into,  
10 Mr. Estey.

11 Q. It says the existing club's  
12 charter be cancelled. Do you see that? I  
13 don't know what the context is.

14 A. This was incorporated 8th July,  
15 1959.

16 Q. I see. What does that refer to?

17 A. The report you refer to is June  
18 the 8th, 1959, referred to in the brief on  
19 page 63. I have no objection provided  
20 that the causes are put in. The Ontario  
21 Provincial Police report is dated 12th June.  
22 These are reports on the application for  
23 incorporation.

24 Q. All right. And your explanation  
25 in this paragraph read in context means  
26 nothing since incorporation was adverse?

27 A. That is right. There was nothing  
28 in existence at the time the report was made.

29 Q. The existing club's charter be  
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THE FIRST OF THE TWO PARTS OF THE  
HISTORY OF THE UNITED STATES

BY J. C. CALHOUN

NEW YORK: J. C. CALHOUN

1850

THE SECOND OF THE TWO PARTS OF THE

HISTORY OF THE UNITED STATES

BY J. C. CALHOUN

NEW YORK: J. C. CALHOUN

1850

THE THIRD OF THE TWO PARTS OF THE

HISTORY OF THE UNITED STATES

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THE FOURTH OF THE TWO PARTS OF THE

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THE FIFTH OF THE TWO PARTS OF THE

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THE SIXTH OF THE TWO PARTS OF THE

HISTORY OF THE UNITED STATES

BY J. C. CALHOUN

NEW YORK: J. C. CALHOUN

1850





1 cancelled -- That might refer to two  
2 clubs. Now, just two more things. This  
3 arises out of observation by Commission counsel,  
4 and I would like you to clear the public  
5 record on this point. When the request  
6 was first made to examine your secret files,  
7 did you not -- I am sure you will agree you  
8 did -- insist that the search be confined  
9 within some reasonable limits, and that a  
10 list of files we desired be given us and it was  
11 done the following morning, and we were given  
12 these files. Is that correct?

13 A. My recollection of that conversation,  
14 I indicated to his lordship that I was prepared  
15 to have every file which I dealt with since  
16 my term of office, the complete files put  
17 into the record in the nature of an exhibit,  
18 and then I maintained assumed and indicated  
19 to his lordship that his lordship could do  
20 the same with all the files of the Department  
21 that we had dealt with, not only excerpts  
22 but the whole file. That was a task which  
23 was physically impossible.

24 Q. It was a safe offer?

25 A. If his lordship had taken me up  
26 I would have. And the proposition was put  
27 that you would select a list of clubs which  
28 you would want access to. You could have  
29 asked for any club, and as a matter of fact  
30



[illegible]



1 there were some 113, and the observation I  
2 made to the Commission counsel at that time  
3 that I was concerned that there not be a picking  
4 and choosing. I thought, perhaps, the best  
5 way to do that would be to file the whole  
6 file in those instances.

7 Q. If I might ask you one question  
8 and see if you can answer this succinctly,  
9 whose idea was it that there be a list of  
10 as few files as possible, your idea or my idea?

11 You had  
12 A. It was the list when it was  
13 discussed.

14 Q. Who suggested that it be tailored  
15 down? Did you suggest that?

16 A. No, there was no limitation on  
17 my part. There was no file which should not  
18 go in. The list was asked for to facilitate  
19 what we did know of the files you wanted to  
20 see, but the list ---

21 THE COMMISSIONER: Let us not make a  
22 speech. I am interested in this. Are you  
23 suggesting there were files you did not have  
24 an opportunity of seeing?

25 MR. EATY: No, thanks to Mr. Cadney  
26 and Mr. McCormack, the examination went off  
27 much easier than with the Minister to get  
28 the ---

29 THE COMMISSIONER: I don't get the  
30 suggestion.



1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is divided into two main sections, the first of which deals with the general situation and the second with the progress of the work.

2. The second part of the report deals with the progress of the work during the year. It is divided into two main sections, the first of which deals with the progress of the work and the second with the results of the work.

3. The third part of the report deals with the results of the work during the year. It is divided into two main sections, the first of which deals with the results of the work and the second with the conclusions of the work.

4. The fourth part of the report deals with the conclusions of the work during the year. It is divided into two main sections, the first of which deals with the conclusions of the work and the second with the recommendations of the work.

5. The fifth part of the report deals with the recommendations of the work during the year. It is divided into two main sections, the first of which deals with the recommendations of the work and the second with the conclusions of the work.

6. The sixth part of the report deals with the conclusions of the work during the year. It is divided into two main sections, the first of which deals with the conclusions of the work and the second with the recommendations of the work.

7. The seventh part of the report deals with the recommendations of the work during the year. It is divided into two main sections, the first of which deals with the recommendations of the work and the second with the conclusions of the work.

8. The eighth part of the report deals with the conclusions of the work during the year. It is divided into two main sections, the first of which deals with the conclusions of the work and the second with the recommendations of the work.

9. The ninth part of the report deals with the recommendations of the work during the year. It is divided into two main sections, the first of which deals with the recommendations of the work and the second with the conclusions of the work.

10. The tenth part of the report deals with the conclusions of the work during the year. It is divided into two main sections, the first of which deals with the conclusions of the work and the second with the recommendations of the work.

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Q. There was a flat statement we  
only wanted to see 119 and only used 83 and  
the 1219, minus 119, are not the subject of  
complaint at all and must be considered to  
be found to be clear. All I am saying is  
there was a great deal of discussion in which  
we asked to give a list and keep it small  
and see what it is and not going to waste  
time reading all these files and so on, and  
the work we did was confined to 119 and we  
have no idea what was on the others.

13  
MR. WILSON: Now, Mr. Commissioner ---

14  
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16  
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19  
THE COMMISSIONER: Just a moment. I  
anticipated the discussion between yourself,  
Commission counsel and Mr. Yarenko, and I  
said you were entitled to see and I direct you  
to see any files you want to look at. We  
got that abundantly clear.

20  
MR. ESTEY: That is clear.

21  
22  
23  
24  
25  
26  
THE COMMISSIONER: And so far as I was  
concerned you would have access to all the  
files if you wanted it. There is no equivocation  
about that. That is clear, concise and  
definite, and you said you would reduce  
your demands to a certain number.

27  
28  
MR. ESTEY: Yes. This is my only  
point your lordship is now discussing.

29  
30  
THE COMMISSIONER: And I said that is  
fine if that is the extent of the inquiry you







1 want to make, go ahead and make it, and I  
2 instructed Mr. Yaremko to see to it those files  
3 were made available.

4 MR. ESTEY: The only reason it is  
5 raised is a comment by Commission counsel who,  
6 I would think, have investigated in the same  
7 manner we did, that we only used 33 files out  
8 of 119, which I wanted to say two things about  
9 and I will be finished.

10 I said

11 One is we laid out 119 before we started  
12 the search, and the second thing the fact we  
13 limited our examination in public here was  
14 done for efficiency and not because the  
15 other files were clear. As your lordship  
16 does not want any unsatisfactory comment  
17 on what has gone on before, neither do we.  
18 Thanks to your lordship, we did get into the  
19 files and were able to lay out the information  
20 to this Royal Commission.

21 THE WITNESS: After Mr. Estey submitted  
22 his list, Mr. Lawler accepted his list what  
23 he wanted to see and Mr. Lawler asked for  
24 additional clubs not on the list and it was  
25 provided.

26 MR. ESTEY: Q. This brief, No. 253,  
27 I think,  
28 is dated 19th March, 1962.

29 A. Yes.

30 Q. And the amount of labour that  
has gone into that, that was not prepared for







1 some months prior to that time?

2 A. Yes, it was.

3 Q. In the course of that preparation  
4 you became aware of the fact that the Chinese  
5 clubs had had their charters altered by the  
6 reduction of the two clauses provided by  
7 Regulation 61. That would be some time  
8 between November 1961 and March 1962. My  
9 question is, have those letters patent been  
10 reinstated to today?

11 A. No action with respect to them  
12 has been taken.

13 THE COMMISSIONER: Have you some  
14 questions?

15 MR. LAWLER: I have, but I won't be  
16 long.

17  
18 ---Short recess.

19 THE COMMISSIONER: How long will you  
20 be, Mr. Lawler?

21 MR. LAWLER: I will not be too long,  
22 I  
23 but I think, will be more than five o'clock.  
24 I wish to discuss the Bellevue Social Club.  
25 It is No. 42.

26 MR. WILSON: It is in K at page 10  
27 and L at page 1.

28 THE WITNESS: Which club?

29 MR. WILSON: Bellevue Social Club.  
30







1 EXAMINED BY MR. LAWLER:

2  
3 MR. LAWLER: This club has three or  
4 four features leading into the type of arguments  
5 I have in mind. It is the last of the clubs  
6 which are still outstanding. Cancellation  
7 proceedings were started at a much later time ---

8 THE COMMISSIONER: Ask whatever you  
9 want.

10 MR. LAWLER: Q. You have the Bellevue  
11 Bridge and Social Club in front of you?

12 A. I have not.

13 Q. My lord, just to fill in, the  
14 club was incorporated the 15th of October,  
15 1938. There was no objection, great objection,  
16 from either. The returns were filed on  
17 time except that in 1952 the returns for  
18 1950, 1951 and 1952 were all filed at the same  
19 time. That might be some indication of  
20 Mr. Hestey's amber light. I don't consider  
21 it too serious.

22 Then, coming to 1959, would you refer  
23 to a letter from Chief Maskey to Mr. Bowman,  
24 dated the 25th of September, 1959.

25 A. Yes, I have that report before  
26 me.

27 Q. It is a short letter. Could  
28 you read it?

29 A. "In the month of July, in  
30 "your absence, I submitted a report



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1 "to Mr. Elliott Pepper of your  
2 "Department regarding the Bellevue  
3 "Bridge and Social Club, located  
4 "at 431 Spadina Avenue, Toronto.

5 " Mr. Pepper stated that on  
6 "your return he would acquaint you  
7 "with the facts of the report. At  
8 "the time I spoke to Mr. Pepper I  
9 "suggested that it was my opinion  
10 "that there was sufficient evidence  
11 "for the Provincial Secretary to  
12 "cancel the charter held by this  
13 "club. Information has been  
14 "brought to my attention recently  
15 "that Americans for large organizations  
16 "in the United States have moved  
17 "into Toronto and that they are going  
18 "to take over the so-called chartered  
19 "clubs. In view of this, I think  
20 "the report I submitted to Mr.  
21 "Pepper should be given serious  
22 "consideration."

23 Q. Would you return to the report  
24 submitted to Mr. Pepper? It mentions the  
25 incorporation at the beginning, and then it  
26 goes on to say that the proprietor of the  
27 club and others were arrested and charged  
28 with being found-ins. Is that correct?

29 A. In 1947?

30





The first thing I noticed when I stepped  
out of the car was the smell of  
fresh air. It was a relief after the  
stuffy atmosphere of the office.  
I walked towards the building, my  
mind racing with thoughts of the  
day ahead. The sun was shining  
brightly, and the birds were singing.  
I felt a sense of peace and  
calm. The world seemed so different  
from the way it was when I was  
a child. I was no longer a  
stranger in a strange land. I was  
home. I was part of the family.  
I was a member of the team.  
I was a part of the whole.  
I was a part of the future.  
I was a part of the dream.  
I was a part of the hope.  
I was a part of the love.  
I was a part of the life.  
I was a part of the world.

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1 Q. That is right.

2 THE COMMISSIONER: Is it a long report?

3 MR. LAWLER: It is fairly long.

4 THE COMMISSIONER: We can have it put  
5 in as a special exhibit. No. 297.

6  
7 ---EXHIBIT NO. 227: Report, 1947.

8 LAWLER:

9 MR. EXHIBIT My question is, on the  
10 basis of that paragraph, was that conviction  
11 of the matter of 31 members being arrested,  
12 these charges were subsequently dismissed,  
13 but did the police ever tell you about this  
14 situation so far as your file discloses?

15 THE COMMISSIONER: What situation?

16 MR. LAWLER: The situation where the  
17 president of the club and 31 found-ins were  
18 arrested in 1947, my lord, a number of years  
19 after the incorporation, and I am asking if  
20 there was any police complaint arising out  
21 of that.

22 A. Not to my knowledge. I haven't,  
23 of course, gone through the file recently.

24 Q. I have been through the file  
25 and see no reference.

26 THE COMMISSIONER: All right. Why  
27 ask him if there is no reference?

28 MR. LAWLER: I am not giving evidence,  
29 strictly speaking. I was just trying to  
30 shorten it up by making that statement. All







1 right.

2 Q. Then, going further into that  
3 report, the records show a number of people  
4 are set out here, and in the middle of page  
5 2 ---

6 THE COMMISSIONER: Excuse me. How did  
7 Mackey's letter to Mr. Bowman get to the  
8 Provincial Secretary's file?

9 MR. LAWLOR: A memorandum from Mr.  
10 Bowman to Mr. Cudney, 16th October, 1959.

11 THE WITNESS: "I attach hereto a  
12 "confidential memorandum from the  
13 "Chief Constable of Metropolitan  
14 "Toronto who seeks to have this  
15 "charter cancelled. I agree with  
16 "the Chief Constable that there can  
17 "be little doubt that this club operates  
18 "a betting house and it would be  
19 "desirable to close it up if  
20 "possible. Would you be good  
21 "enough to advise if the grounds  
22 "advanced are sufficient for this  
23 "purpose?"

24 MR. LAWLOR: Q. Before we go back  
25 to the report you can read a memorandum  
26 from Mr. Max Margolian to Mr. Cudney on that  
27 point.

28 A. This is an undated memorandum.  
29 " With respect to the request  
30



The first part of the report deals with the general situation of the country and the progress made in the various fields of activity. It is followed by a detailed account of the work done in the different departments of the Government. The second part of the report contains a summary of the results of the various investigations and experiments conducted during the year. It also includes a list of the names of the persons who have been employed in the different departments of the Government during the year. The third part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The fourth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The fifth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The sixth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The seventh part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The eighth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The ninth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year. The tenth part of the report contains a list of the names of the persons who have been employed in the different departments of the Government during the year.

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1 "of the police that the charter  
2 "of this club be cancelled, it  
3 "would appear that there is  
4 "ample evidence to justify the  
5 "cancellation of the charter.

6 " It is suggested, however,  
7 "that the club be given an  
8 "opportunity if it so desires to  
9 "appear at a hearing and make  
10 "whatever representations it may  
11 "desires in opposition.

12 " It should also be noted that  
13 "recently an action was taken on  
14 "behalf of the club against certain  
15 "police officers wherein it was  
16 "alleged that the police had  
17 "installed secretly certain  
18 "recording equipment, and I believe  
19 "that there was also an action  
20 "taken for an injunction to restrain  
21 "the continual visits to this club.  
22 "If these matters have not yet been  
23 "finalized by a judicial decision,  
24 "it is submitted that the Depart-  
25 "ment should not proceed in the  
26 "matter until the Court has given  
27 "a final decision."

28  
29  
30







25/7 1 Q. Then, a letter<sup>of</sup> December 10th, 1959,  
2 which you are looking at, a memorandum from  
3 Gudney to the Honourable Mackinnon Phillips?

4 A. No, from Mr. Phillips to Mr.  
5 Gudney.

6  
7 --- (Witness reads to " . . . our present policy".)

8 Q. And what is the next?

9 A. A letter from Mr. Gudney, December  
10 10th, to the Bellevue Club.

11 "It has been brought to our  
12 "attention that evidence is available  
13 "that activities are being carried on  
14 "in the premises of your club which  
15 "constitutes a carrying on of a  
16 "common gaming house. We are unable  
17 "to overlook this evidence and I  
18 "would advise that on December 23rd,  
19 "1959, an order will be made under  
20 "Section 325(1) of the Corporations  
21 "Act, 1953, cancelling the letters  
22 "patent of your club for cause.  
23 "If you have representations to  
24 "make in respect of this cancellation,  
25 "would you please let me know."

26 Q. What happened with respect to that  
27 letter?

28 A. There is a seven page letter  
29 from Mr. Malcolm Robb, solicitor for the club,  
30







1 I believe, to Mr. Cudney enclosing among other  
2 things, a copy of a letter he wrote Chief  
3 Mackey, October 23rd, and enclosing a notice  
4 of motion by the Bellevue Bridge and Social  
5 Club and certain named individuals, asking  
6 for, I believe, an injunction.

7 Q. So there were injunction proceedings  
8 pending when Mr. Malcolm Robb was solicitor of  
9 the club?

10 THE COMMISSIONER: Any other matter there  
11 that is pending?

12 MR. LAWLER: If you look at Mr. Frank  
13 Moore's memorandum to Mr. Cudney. I think  
14 first of all -- do you see any mention that  
15 there are conspiracy charges laid on the  
16 24th of April?

17 A. May 15th, 1961 ---

18 THE COMMISSIONER: What is it?

19 A. A letter from Mr. Frank Moore to  
20 Mr. Cudney and respecting the Bellevue Bridge  
21 and Social Club, and he says:

22 "You will note that many of the  
23 "members of this club have now been  
24 "charged with conspiracy. The charges  
25 "were laid on 24th April, 1961, and  
26 "the police now advise us that the  
27 "club closed its doors two days  
28 "afterwards, on April 26th. We  
29 "anticipate a renewal of the civil  
30





1 "action for the purpose of obtaining  
2 "information on behalf of the  
3 "gentlemen."

4 My recollection is that when Mr. Gudney returned  
5 and we were reviewing all the files in the  
6 Department he brought this one to my attention  
7 including the fact, I believe, he had a  
8 number of telephone calls with Mr. Moore,  
9 if I may summarize, to see if the action could  
10 be expedited, and if not proceeded with, a  
11 motion should be made for dismissal of the  
12 action for want of prosecution.

13 THE COMMISSIONER: What action? A motion  
14 for an injunction?

15 MR. LAWLER: Yes, my lord, it arose out  
16 of trespass. The charges were laid on a  
17 trespass situation and substantially it is a  
18 motion for an injunction. Here is the  
19 motion here.

20  
21 (Page 13555 follows)





THE SECRETARY OF THE

DEPARTMENT OF THE INTERIOR

WASHINGTON, D. C.

TO THE HONORABLE SECRETARY OF THE

DEPARTMENT OF THE INTERIOR

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DEPARTMENT OF THE INTERIOR

WASHINGTON, D. C.



CC/CRS/1

1 A. Yes. I am just trying to -- there  
2 was a -- a trial. There was going to be a  
3 trial.

4 THE COMMISSIONER: Of an action between  
5 whom?

6 A. Between the Bilevue Bridge and  
7 Social Club, and Harry Long, George Geoff,  
8 Jack Taylor, and Frederick Freeman.

9 MR. LAWLER: And they are all members  
10 of the Metropolitan Police Force?

11 A. Yes, and this was what I read.  
12 It is not a motion. It is a notice of  
13 motion for an injunction, an interim injunction  
14 until the  
15 /xxxxxx trial of the action. Well, then,  
16 Mr. Cudney wanted to get, because we -- we  
17 here again tried to get, as we always do --  
18 the matter being sub judice, and I say that  
19 I believe that Mr. Cudney made a -- made  
20 more than an honest attempt to get some --  
21 get this action disposed of, so that we  
22 could proceed, and he made several telephone  
23 calls in that respect.

24 THE COMMISSIONER: Well, all right.

25 A. And then we discovered the club  
26 was no longer operating, and there wasn't  
27 any urgency.

28 MR. LAWLER: You just read the covering  
29 letter, the covering letter from Mr. Frank  
30 Moore, the solicitor for Metropolitan Toronto,







1 to Mr. Cudney, and then he enclosed the memorandum  
2 dated May 12th, 1961, therein, did he not?

3 A. Yes, I have referred to that.

4 Q. Now, could you read the -- could  
5 you read that for us? It starts with:

6 "Something of the history of this  
7 "Club is set out in the attached police  
8 "report dated 22nd June 1959 and  
9 "which, I believe, has been forwarded  
10 "to the Provincial Secretary."

11 I don't want to go into the report yet, I  
12 want to speak of that memorandum, Mr. Yarensko.

13 THE COMMISSIONER: A memorandum dated  
14 what?

15 MR. LAWLOR: The 12th of May, 1961.

16 Q. Now, would you start reading?

17 THE COMMISSIONER: From whom?

18 MR. LAWLOR: The second paragraph.

19 A. He refers ---

20 THE COMMISSIONER: From whom?

21 A. --- to Mr. -- from Edward Ganes,  
22 who is a -- evidently in the -- in the  
23 office of Mr. Moore, to Mr. Moore, and  
24 Mr. Moore included -- sent a copy of it on  
25 to Mr. Cudney, and he refers to the -- he  
26 says:

27 "Something of the history of  
28 "this Club is set out in the attached  
29 "police report dated 22nd June 1959 . . . "







1 which had been forwarded to the Department on the  
2 25th of September, 1959.

3 THE COMMISSIONER: Yes.

4 MR. LAVLOR: Yes, now, Mr. Yarenko, if  
5 you would start with the second paragraph,  
6 please?

7 A. "The police have, for a long time,  
8 "believed that the Club is the 'front  
9 "end' for large scale illegal gambling  
10 "operations. A person wishing to  
11 "place a bet contacts the 'front end' -  
12 "usually by telephone - and places  
13 "his bet. A temporary record of the  
14 "bet is made at the 'front end' - in  
15 "the case of the Bellevue Club such  
16 "record consists of writing the  
17 "particulars of the bet in pencil  
18 "on an arborite counter top - and  
19 "these particulars are then telephoned  
20 "to a place known as the 'back end',  
21 "where they are recorded in permanent  
22 "form. The temporary record at the  
23 "front end is then destroyed - in the  
24 "case of the Bellevue Club this is  
25 "accomplished by wiping the counter  
26 "top clean with a damp sponge which  
27 "is always kept handy at the counter."

28 Q. Then forget the other paragraph.

29 Well, no, continue. It is two pages, but I  
30







1       don't think it is too long, my lord.

2           A.        "In the Club there are several  
3        "telephones as well as a ticker tape  
4        "machine which brings in sport results  
5        "from centres in Canada and the  
6        "United States. The Club is  
7        "frequented by known gamblers and  
8        "criminals among them Fred Gabourie,  
9        "Max Silver, Jack Weaver and Harry  
10       "Rosen who are believed to be among  
11       "the principals of the Club.

12                "In gambling house cases the  
13       "evidence is usually gained as the  
14       "result of a series of observations  
15       "made over a long period of time.  
16       "The police therefore began to make  
17       "frequent visits to the Club armed  
18       "with search warrants. The type  
19       "of thing they found is set out in  
20       "the attached report. The Club  
21       "commenced an action against certain  
22       "members of the force for an  
23       "injunction restraining the  
24       "Defendants from trespassing on  
25       "the Plaintiff's premises and  
26       "committing acts of trespass on the  
27       "Plaintiff's members and from  
28       "annoying and harassing the members.  
29       "This has reference to the actions  
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1 "of the police in visiting the Club and  
2 "in searching the persons found on the  
3 "premises. The police believe that  
4 "the action was commenced to hamper  
5 "their observations.

6 "In the Spring of 1961 the  
7 "police arrested one Alec Robinson  
8 "and Hugh O'Sara on a charge of  
9 "recording and registering bets.

10 "The police believe that Robinson and  
11 "O'Sara were operating the 'back end'  
12 "for the Bellevue Club. On the 24th  
13 "April 1961 Robinson and O'Sara were  
14 "convicted and sentenced to jail for  
15 "three months plus a fine of \$3,000  
16 "or four months additional  
17 "imprisonment in lieu of payment.

18 "As indicated the police believe  
19 "that O'Sara and Robinson were  
20 "linked with the Bellevue Club.

21 "Therefore on the same day that the  
22 "conviction was made charges were  
23 "laid against the following 10 persons  
24 "whom the police believe to be the  
25 "principals in the Bellevue Club:  
26 "Frederick Gabourie, Jack Weaver,  
27 "Harry Eisen, Arthur Larter, Alec  
28 "Robinson, Percy Goldenberg, Max  
29 "Silver, Ben Kuflowitz, Hugh O'Sara  
30



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1 "and Timothy Buckley.

2 "The charge was 'that they did  
3 "in the years 1956, 1957, 1958, 1959, 1960  
4 "and 1961, at the Municipality of  
5 "Metropolitan Toronto in the County  
6 "of York and elsewhere both within  
7 "and without the Province of Ontario  
8 "did conspire, the one with the  
9 "other, and with divers other persons  
10 "presently unknown to commit  
11 "indictable offences namely to keep  
12 "common betting houses and to engage  
13 "in book making and to engage in  
14 "the business or occupation of betting  
15 "and to record or register bets at  
16 "the said Municipality of Metropolitan  
17 "Toronto during the years aforesaid.'

18 "As indicated these charges were  
19 "laid on the 24th April, 1961 and the  
20 "police advised that on the 26th  
21 "April the Club closed its doors  
22 "and has remained closed since that  
23 "time.

24 "The police believe that from  
25 "here on any civil action will be used  
26 "as a method of attempting to extract  
27 "information with respect to the  
28 "pending charge but this is something  
29 "we will be able to handle after it  
30







1 "arises."

2 Q. Now, Mr. Yaremko, there are two  
3 actions pending at the present time. Is there  
4 not a hearing being held by the Department in  
5 this matter?

6 THE COMMISSIONER: At the present time?  
7 You mean now?

8 MR. LAWSON: Now, as far as I know.

9 A. Yes. This is referred to in the  
10 brief, the conspiracy case, and I recall  
11 there were nine men charged with conspiracy,  
12 and there was a preliminary hearing, and the  
13 Magistrate I think committed, or sent the  
14 case on for trial in respect to five, and  
15 dismissed with respect to four.

16 THE COMMISSIONER: Now, what is your  
17 question?

18 MR. LAWSON: Well, this is -- is this  
19 another instance, Mr. Yaremko, of appeal  
20 proceedings -- well, let me put it to you  
21 this way: These proceedings that are taken,  
22 these are purely collateral to any issue  
23 you may have with this club directly, is that  
24 not correct?

25 A. I don't know what you mean by  
26 collateral.

27 Q. I am speaking of proceedings  
28 taken by a solicitor against the police  
29 force for trespass, that has nothing really  
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1 directly to do with your Department, is that  
2 correct?

3 A. Well, the -- the relevance is  
4 this, that the action is being carried on in  
5 the name of the Department. There was a  
6 social club, and if we were to cancel the  
7 letters patent, then that would be a -- that  
8 would wipe out the plaintiff. There would  
9 be no -- there would be no plaintiff to  
10 carry on the action.

11 Q. No, but at the time the trespass  
12 arose nevertheless there was an existing  
13 plaintiff, is that true?

14 A. Well, I think it was the belief  
15 of the Department that if we were to wipe  
16 out the plaintiff by our action that may not  
17 have been the end of it. Incidentally, it  
18 may be pertinent that on June 14th, 1961,  
19 after receipt of this -- after receipt of  
20 this memorandum from Mr. Moore, Mr. Gudney  
21 having discussed the matter with me, wrote  
22 a letter to Chief Mackey reviewing --  
23 reviewing the matter, and then he concludes:

24 "I have taken up this matter  
25 "and, in view of the pending  
26 "conspiracy charges, it is thought  
27 "that no further action should be  
28 "taken towards the cancellation of  
29 "the charter or to have a hearing  
30

[illegible]





1 "if the club so requests until the  
2 "conspiracy charges are disposed of."

3 Q. Well, now, the question gets down  
4 to this, then, that in 1959 Mr. Cudney sent  
5 a letter to this club saying that hearings  
6 would be held with formidable evidence,  
7 I suppose in a police report, and since that  
8 time, because civil and criminal proceedings  
9 had been initiated, nothing whatsoever has  
10 been done to forward those hearings, and  
11 that is the way it stands to-day, isn't  
12 that correct?

13 A. Yes.

14 Q. You are awaiting the outcome  
15 of those proceedings?

16 A. Yes.

17 Q. And it is not in this case as  
18 though a conviction had been filed, and it was  
19 under appeal, the matters now before the  
20 Courts, either civil or criminal, are matters  
21 that your Department is not directly concerned  
22 with at all?

23 A. Not concerned, but any action  
24 of ours would be -- would be -- have a very  
25 significant effect in the -- in the, at least  
26 the civil action, and perhaps the conspiracy  
27 charge.

28 Q. Very well. That finishes that  
29 club as far as I am concerned. That's it

30







1 argument. I would like to know, Mr. Yarenko,  
2 since you became Provincial Secretary on  
3 May 26, 1960, if there were not a considerable  
4 number of new clubs, social clubs been  
5 incorporated?

6 A. Well, Mr. Lawlor, I believe you  
7 have what is filed as an exhibit, a statement  
8 of the total number of clubs filed --  
9 incorporated during my term of office. If  
10 I may just take a moment to refer to that.

11 THE COMMISSIONER: Now, what is the  
12 exhibit number?

13 MR. LAWLOR: Exhibit -- it was subsequent  
14 to Exhibit 271, my lord.

15 MR. WILSON: It was added to Exhibit 271.  
16 I think you put it in your brief, Mr.  
17 Commissioner, I am not sure.

18 THE COMMISSIONER: Page 9 of Exhibit 253.

19 MR. WILSON: Yes, I think it was. I  
20 filed it, as a matter of fact.

21 MR. LAWLOR: And in that case are they  
22 all coming into your hands now directly? Do  
23 you peruse every application personally?

24 A. What happens is that -- yes.  
25 Presently we -- we have evolved, Mr. Gudney  
26 and I are continuously trying to evolve  
27 new procedures, and in the course of a day  
28 a tremendous number of -- a very substantial  
29 number of matters will come before me for  
30



The first part of the chapter discusses the importance of maintaining accurate records of all transactions. It emphasizes the need for a systematic approach to bookkeeping, starting with the identification of all assets and liabilities. The text then moves on to discuss the various methods of recording transactions, including the double-entry system. It explains how debits and credits are used to ensure that the accounting equation remains balanced. The chapter also covers the process of adjusting entries at the end of each accounting period to ensure that the financial statements are accurate. Finally, it discusses the preparation of the financial statements, including the balance sheet, income statement, and statement of cash flows. The chapter concludes by emphasizing the importance of regular audits and the role of the auditor in ensuring the integrity of the financial reporting process.

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1 signature, so far as the share capital and non-  
2 share capital. In the case of a club, Mr.  
3 Cudney submits the application, the whole  
4 file, so that I am able to -- able to peruse  
5 the file, to read the report, all the reports,  
6 if I deem it necessary.

7 Q. I am interested in the present  
8 policy of the Department. As it stands at  
9 the moment, if a known gambler is one of the  
10 applicants, would you grant the charter at  
11 the present time?

12 A. I think not but that is -- I don't  
13 know what you mean by "known gambler".

14 Q. On the basis of the police report?

15 A. Somebody reputed to be, or  
16 convicted?

17 Q. Well, you can divide it from each.  
18 That is all right.

19 A. I may say this, that in the--  
20 I would have to go over all the files. We  
21 have refused -- we have refused where the  
22 police reports have indicated to us gambling  
23 convictions, or such relationships. There  
24 have been instances where there have been  
25 other convictions, and not related to  
26 gambling, and we have taken the matter up,  
27 and the parties have withdrawn the name of  
28 that person, and submitted the name of  
29 another.  
30

[illegible]



1 Q. Yes?

2 A. But I would have to -- you would  
3 have to review the 322 granted by me.

4 THE COMMISSIONER: No, no, no, no, you  
5 wouldn't at all.

6 A. I ---

7 Q. The question is, as of to-day if a  
8 known gambler should be one of the applicants  
9 for incorporation, would you or would you  
10 not grant the charter?

11 A. I think not.

12 Q. You think you would not. That  
13 answers the question.

14 MR. LAWLER: If you were asked to delete  
15 the paraphernalia clause from the charter as  
16 it stands to-day, what would your position be?

17 A. I couldn't do it by law.

18 Q. Very well. If you received a  
19 private complaint to-day about an operating  
20 club, what would be your position? By  
21 private I mean a member of the general public,  
22 and not the police. What would your position  
23 on that be?

24 A. If it was other than an anonymous  
25 type of thing?

26 Q. Yes.

27 A. We would look into the matter.

28 Q. You mean you would refer it to the  
29 police, possibly?  
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1 A. Either to the police, or use our own.  
2 If it is one of those where we can check directly,  
3 we would check directly.

4 Q. You mean you would call them into  
5 your office, this person who complained?

6 A. I haven't had that problem as yet,  
7 to my knowledge.

8 Q. I see. You are not quite sure  
9 what you would do in the light of a private  
10 complaint?

11 A. Well, I would think on the basis  
12 of ---

13 THE COMMISSIONER: You would have it  
14 investigated, and see?

15 A. Yes.

16 Q. But whether by the police or your  
17 own Department would depend ---

18 A. On the circumstances of the case.

19 Q. --- on many circumstances.

20 MR. LAWLER: Supposing you received a  
21 complaint, either from the police or any one  
22 else, subsequent to incorporation, that the  
23 premises were being frequented by known  
24 gamblers. What would your position on  
25 that be?

26 A. If only that, and no other?

27 Q. Nothing else.

28 A. Nothing else. Well, for me to  
29 look into the future, and try to decide what I



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1 would do on such an instance ----

2 THE COMMISSIONER: I suppose there might  
3 be so many varying circumstances, Mr. Lawlor,  
4 that it is hardly a fair question.

5 MR. LAWLOR: Yes. I tried to keep it on  
6 one ground alone.

7 THE COMMISSIONER: Oh, I know, but your  
8 question is if it were known to be frequented  
9 by known gamblers, what would you do?

10 MR. LAWLOR: Well, all right. Let me  
11 put it this way ---

12 THE COMMISSIONER: Supposing you had a  
13 social club with a membership of three hundred,  
14 and there were ten gamblers in frequent  
15 attendance. That would be one set of  
16 circumstances. The circumstances would vary,  
17 I suppose.

18 MR. LAWLOR: But the police are the ones  
19 that are doing the reporting. I would have  
20 thought there would be other reasons for  
21 doing so.

22 THE COMMISSIONER: No, no. It comes  
23 to his attention by the police or anybody  
24 else, you said.

25 MR. LAWLOR: Yes. All right. Well, all  
26 right. It may be an unfair question. Suppose  
27 you get a report come in that it was not only  
28 frequented by known gamblers, but that there  
29 was some evidence of illegal -- or suspicion  
30

[illegible]





1 of illegal gambling activity going on. What  
2 would your position be?

3 THE COMMISSIONER: You mean what would they  
4 do about it?

5 MR. LAWLER: Yes. What would you do  
6 about it? I want to know when they will call  
7 a hearing.

8 A. Well, it all depends again as to  
9 the amount of material there is in the report.  
10 Now, I refer to the Somerset, in which police  
11 reports were filed, my lord. There was  
12 evidence there that there were -- the premises  
13 were frequented by known gamblers. There  
14 was just the -- the shade of -- of evidence  
15 that something was taking place because of a  
16 conversation, "I will lay you twenty to one",  
17 whatever that means, but it had some  
18 significance to the police officer who  
19 overheard that conversation, but there  
20 wasn't enough in that particular Somerset  
21 report which I discussed with Chief Mackey  
22 for me to have decided that was a game.  
23 Under that -- under the list of cases which  
24 we have set out on page 30 where there is  
25 strong evidence of illegal gaming on the  
26 club premises. Now, Chief Mackey since  
27 that time has had the matter under surveillance.  
28 The report is much more thorough. I have  
29 only glanced at it. I have not considered it.  
30





The first part of the chapter discusses the importance of the...

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1 I am getting further information. There is  
2 evidence of frequenting by gamblers. Evidence  
3 as to perhaps a game, and I would probably  
4 consider that. It matters as to the weight  
5 of evidence which is before me.

6 THE COMMISSIONER: We will adjourn until  
7 to-morrow morning at 10.00 o'clock.

8  
9 ---Whereupon the hearing adjourned at 4.50 p.m.  
10 until 10.00 a.m., Tuesday, October 23, 1962.

---









68

VOLUME NO. ....

ROYAL COMMISSION

ON CRIME

IN ONTARIO

DAILY TRANSCRIPT  
OF PROCEEDINGS

Date. Tuesday. Oct. 23/62.

pp 03571 - 13626.



Supreme Court Reporters  
145 Yonge St.  
Toronto







## ERRATA

Vol.	Page	Line	
59	11943	30	For "either" read "neither"
59	11944	1	For "or" read "nor"
59	11977	22	For "say" read "see"
59	12010	9	For "Kennisles" read "Karrick"
59	12018	3	For "1960" read "1961"
60	12052	15	For "wasn't" read "was"
60	12073	10	For "Town" read "Ontario Provincial"
60	12093	10	For "I discussed" read "I didn't discuss"
60	12093	21	For "at" read "after"
60	12114	2	For "unless" read "until"
60	12126	18	For "ever junior" read "ever as junior"







VOLUME 63

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AL. 123456

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TUESDAY, OCTOBER 23, 1962

---On resuming at 10.15 o'clock a.m.

JOHN YARENKO, resumed,

EXAMINATION BY MR. LAWLER CONT'D:

Q. Mr. Yarenko, I have recently been rather curious about an initial question here this morning. Now, in your opinion, were the criminal elements in this province able to obtain these social club charters? How did they know about them?

A. I imagine their knowledge would be the same as that of any other citizen. The laws pertaining to the Corporations Act are known to a great number of people and anybody interested in criminal activities might inform themselves of provisions of the Criminal Code or have provisions of the Criminal Code brought to his attention.

Q. That is not the point I am making. I am talking of these long dormant charters issued twenty, thirty years ago which they have been able to root out and use for their own purposes. Have you any theory as to how they found out the specific clubs?

A. Well, I have one idea which came to me as a result of the Hunter Bay





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1 incident, which is the most recent. My mind had  
2 not really been directed to this because I was  
3 dealing with them as they came along. It came  
4 to me that, in part of our procedure in  
5 cancellation, we notified the last directors  
6 of record, and we also published in the  
7 Ontario Gazette notice of intention to cancel  
8 for failure to file. That is required under  
9 the Act. It may be that somebody was astute  
10 enough to go through that list and see that  
11 we proposed to cancel some charter for  
12 failure to file and, then, used some methods  
13 I do not know in order to obtain the  
14 relevant information. They can go to the  
15 Public Search Office and get all the  
16 history of the charter to that date and, then,  
17 continue further on. That is pure  
18 speculation on my part. It is a theory --  
19 because the same question has been in my  
20 mind for a considerable period of time,  
21 and especially highlighted by that particular  
22 incident.

23 Q. You think perhaps the publication  
24 in the Ontario Gazette may explain their  
25 source of information?

26 A. Yes, because in the Number Day  
27 the notice of publication (sic) I believe  
28 was in the early part of January, 1960, and  
29 then the returns were filed shortly thereafter.  
30







1 That is pure speculation on my part, my lord.

2 THE COMMISSIONER: Q. There is no  
3 register in your Department devoted exclusively  
4 to social clubs?

5 A. No, all corporations are in one  
6 complete set.

7 MR. LAWLOR: Q. We were talking of the  
8 Bellevue Club the other day and there are  
9 two matters which remain outstanding in  
10 my mind with respect to that.

11 If you could let Mr. Yarenko have the  
12 report -- It is Exhibit 297. I have a  
13 photostatic copy here this morning.

14 Q. Would you just turn to page 8,  
15 the last page on that. That report is  
16 unsigned. Isn't that correct? It appears  
17 to be E.H.W., who I take to be Inspector  
18 Walker of the Metropolitan Toronto --

19 THE COMMISSIONER: That report is  
20 September 27.

21 MR. LAWLOR: That is the report dated  
22 June 22, 1959, my lord, to James P. Mackey.

23 THE COMMISSIONER: My note says  
24 September.

25 MR. LAWLOR: The one I am interested in  
26 is this one (indicating).

27 THE COMMISSIONER: June 22.

28 Is there one September 22?

29 MR. LAWLOR: I have nothing with reference  
30



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1 to that specific date.

2 A. September the 25th, my lord, is the  
3 date of the letter from Mr. Mackey to -- Chief  
4 Mackey to Mr. Bowman.

5 THE COMMISSIONER: Q. September what?

6 A. September 25, 1959. He refers to  
7 the fact that in the month of July he submitted  
8 a report to Mr. Elliott Pepper, who was within  
9 Mr. Bowman's Department, and I imagine the  
10 report of June the 22nd, 1959, is the report  
11 being referred to.

12 MR. LANLOR: Q. Would you read the foot-  
13 note that is added to that report, which is  
14 otherwise typed? It is added in ink.

15 A. My lord, I have difficulty in  
16 reading this particular handwriting.

17 Q. If I read it - it is easier to  
18 read here - see if it is correct:

19 "They want to close it without going  
20 "to police. Appalachian mob has met  
21 "twice to take over this place &  
22 "gambling. They were in Northern Ont.  
23 "last year & names can be obtained  
24 "from R.C.M.P."

25 Does that sound correct?

26 A. That appears to be written on the  
27 original, my lord.

28 Q. I just thought it would be of  
29 interest to your lordship, that specific footnote.  
30





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1 MR. WILSON: It would be very interesting  
2 to know who wrote it.

3 MR. LAWLOR: If we had Inspector Walker  
4 in the stand we could find out.

5 Q. We had the case in the Bellevue --

6 THE COMMISSIONER: What was the date  
7 of the Goose Bay hunting expedition?

8 MR. LAWLOR: I believe that was October  
9 of 1958.

10 THE COMMISSIONER: That is what it has  
11 reference to, no doubt.

12 MR. LAWLOR: Q. Mr. Yarenko, with the  
13 Bellevue Club we had a distinctive situation,  
14 one we had not had before, where civil  
15 proceedings were pending. You say that,  
16 largely because of those proceedings, you  
17 have not proceeded to cancel -- to have a  
18 hearing and cancel the charter. Coming to  
19 your present position of your Department  
20 does that mean in cases where civil  
21 proceedings are pending in any instance  
22 that -- in connection with a social club  
23 that you do not or will not cancel or have  
24 a hearing, irrespective of the grounds  
25 therefor, while such proceedings are pending?

26 THE COMMISSIONER: Well, that is  
27 hardly --

28 Q. This is the only instance in  
29 which the cancellation proceedings were held  
30

[illegible]





1 up by a civil action?

2 A. Yes, my lord.

3 Q. I suppose if some other case developed,  
4 a civil action was pending, you would have to  
5 assess it on its merits?

6 A. Yes, my lord.

7 Q. The question is too broad and too  
8 indefinite, Mr. Lawlor.

9 MR. LAWLOR: Without going into argument,  
10 my lord, I would point out: If this were the  
11 case it would be a wise plan for those  
12 persons to start fictitious civil proceedings  
13 in order to prolong the life of their club.

14 THE COMMISSIONER: They will resort  
15 to any strategy they think will benefit them.

16 MR. LAWLOR: I think that has been  
17 proven, too.

18 Q. Yesterday I was involved in questions  
19 which his lordship felt were perhaps unfair  
20 because of, perhaps, again, the broadness and  
21 the way they were put, touching grounds at  
22 the present time for calling hearings with  
23 respect to various types of activities, and  
24 I tried to give some hypothetical cases.  
25 Returning to that particular type of question:  
26 In the case of convictions on the premises.  
27 If a narcotic conviction were on the premises,  
28 would that be grounds, in your opinion, to  
29 cancel the charter?  
30







1 A. It would depend on the nature of  
2 the report given by the police. If in  
3 assessing the police report the Minister,  
4 and I speak for myself, came to the conclusion  
5 that in some way the club either knew or  
6 should have known, or condoned the action,  
7 my present thinking is that the Minister  
8 would institute proceedings for cancellation.

1/2 9 Q. And that would, I suppose, cover  
10 pretty much the spectrum of what I would  
11 call moral criminal offences - for instance,  
12 prostitution?

13 A. Yes. And we have done it in  
14 the case of liquor.

15 Q. You have done it in the case of  
16 liquor and assault. I am testing whether  
17 you would do it in a wider range of criminal  
18 proceedings. I have mentioned prostitution.

19 A. Yes, I would think so because  
20 it would be my opinion such activity could  
21 very unlikely be carried on without the  
22 knowledge, or the imputed knowledge of the  
23 club.

24 Q. Very well.

25 Now, my lord, I think I will abandon  
26 that line of reasoning. It is too difficult  
27 to pin down and it is probably more proper  
28 for argument, anyway.

29 Q. What is the present policy in the  
30





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29. twenty-ninth of these is the fact that the

30. thirtieth of these is the fact that the



1 case where a branch club has been convicted  
2 and the parent organization desires to continue  
3 its livelihood?

4 A. I don't recall whether I had  
5 occasion to deal with that set of facts. It  
6 would appear to me that, there again, it would  
7 depend on the nature of the report and if the  
8 relationship between the main branch and one  
9 of the branches were such that the knowledge  
10 of the offence being committed ties the  
11 branch -- it would be difficult to say  
12 which is the head office and which is not  
13 the head office because they are supposed  
14 to be on an equivalent basis; but, if there  
15 were a tie-in with -- there would definitely  
16 be proceedings instituted. But, my own  
17 thinking is that we might have been  
18 stricter than that because, regardless of  
19 whether a social club is carrying on within  
20 the four walls of one building and within  
21 the four walls of another building, that  
22 that is an activity which, if there is a  
23 relationship between the members of those  
24 who committed the actual offence and the  
25 club, I would think we would institute  
26 proceedings to cancel.

27 Q. Thank you.

28 A. My lord, these are hypothetical  
29 instances looking to the future.  
30

[illegible]





1 THE COMMISSIONER: Yes, I quite realize  
2 that.

3 MR. LAWLOR: Q. Would the suggestion  
4 have any merit, in your opinion, of having the  
5 Department periodically, say every three  
6 years, ask the police of this province,  
7 local police largely, and provincial, too, if  
8 necessary, for a listing of clubs of which  
9 there is any suspicion of illegal gambling?

10 A. I would reply to that, Mr.  
11 Lawlor, by saying that I would expect the  
12 police in the course of their investigation,  
13 as they turned up instances upon which they  
14 thought action should be taken, should not  
15 wait until they have received an enquiry  
16 from us but would report to us, as they have  
17 done from time to time as these alleged  
18 offences and alleged activities have taken  
19 place.

20 Q. Mr. Yarenko, I do not wish to  
21 argue with you. I suggest, however, that in  
22 the overwhelming number of instances it has  
23 been only after a conviction that the police  
24 have made the complaints to you and that  
25 in a small number of instances you are  
26 correct, they have made -- with gambling, where  
27 it is rather notorious, they have made  
28 reports to you and you have proceeded on  
29 hearings and cancellation?  
30







1 A. You have used the word "overwhelming".  
2 Statistics in the brief will show two-thirds  
3 were based on convictions and one-third on  
4 other grounds.

5 Q. Including administrative grounds,  
6 which took quite a few?

7 A. Yes.

8 Q. So, I suggest to you there were  
9 only a few instances where activities of  
10 illegal gambling were the grounds - that is,  
11 the police report came in during the life  
12 of the club and you were aware of no  
13 conviction at all on which you were able  
14 to act. I am suggesting there were a  
15 small number of cases?

16 A. Would you repeat the question?

17 Q. I am saying, on the grounds of  
18 suspicion of illegal gambling alone the  
19 complaints that came in to you from the  
20 police were very few? Is that correct?

21 A. No, I think that all these  
22 reports, my lord, and the reading has been --  
23 shows that the police gave a very thorough  
24 report, they put in all the information,  
25 direct and hearsay evidence, that they can  
26 get with relationship to the investigations  
27 of clubs and, then, the Minister assesses  
28 the report to determine whether there is  
29 sufficient cause, whether there is a likelihood  
30





1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It is a long and detailed letter, covering many topics, including the state of the Union, the progress of the war, and the administration of the government. It is a very important document, as it provides a clear and concise statement of the President's policies and goals.

2. The second part of the document is a report from the Secretary of the War Department, dated January 10, 1862. It is a detailed report on the military operations of the Union Army during the year 1861. It covers the movements of the army, the battles fought, and the results of the campaigns. It is a very important document, as it provides a clear and concise statement of the military situation.

3. The third part of the document is a report from the Secretary of the Navy Department, dated January 10, 1862. It is a detailed report on the operations of the Union Navy during the year 1861. It covers the movements of the fleet, the battles fought, and the results of the campaigns. It is a very important document, as it provides a clear and concise statement of the naval situation.

4. The fourth part of the document is a report from the Secretary of the Department of the Interior, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the public lands, the progress of the reclamation work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

5. The fifth part of the document is a report from the Secretary of the Department of the Treasury, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the public debt, the progress of the financial operations, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

6. The sixth part of the document is a report from the Secretary of the Department of the State, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the foreign relations, the progress of the diplomatic work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

7. The seventh part of the document is a report from the Secretary of the Department of the Justice, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the judicial system, the progress of the legal work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

8. The eighth part of the document is a report from the Secretary of the Department of the Education, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the educational system, the progress of the educational work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

9. The ninth part of the document is a report from the Secretary of the Department of the Agriculture, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the agricultural system, the progress of the agricultural work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.

10. The tenth part of the document is a report from the Secretary of the Department of the Commerce, dated January 10, 1862. It is a detailed report on the operations of the Department during the year 1861. It covers the management of the commercial system, the progress of the commercial work, and the results of the various projects. It is a very important document, as it provides a clear and concise statement of the department's activities.



1 of sufficient cause. I have treated my own  
2 assessment of such reports at that stage --  
3 that function as being equivalent to that of  
4 a magistrate on a preliminary hearing. I  
5 look at the reports to determine whether  
6 there is sufficient cause because I know  
7 when I hold a hearing one of the things I  
8 must face and be prepared to swear to in an  
9 affidavit is, in the case of the New Canadian  
10 case, that I had found sufficient cause.

11 Q. The cases we have had before us  
12 recently indicate in 1947 the police were  
13 cognizant of illegal gambling on the  
14 premises. There is nothing, as you admitted  
15 in the box yesterday, that they made any  
16 complaint arising out of that to your  
17 Department?

18 A. Which file is that?

19 Q. That is the Bellevue Bridge and  
20 Social Club, Mr. Yarenko. In our perusal  
21 of files, in instance after instance, the  
22 police come to report -- they report that  
23 there has been gambling, this place is well  
24 known to gambling, a number of phrases,  
25 many years previously, which they have not  
26 reported to your Department. My suggestion  
27 is that they almost invariably wait for a  
28 conviction before doing so. Arising out  
29 of that situation, which I take to be the  
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1 total background, I suggest to you there may be  
2 merit in the Department specifically directing  
3 police attention on to this and asking for  
4 cases of suspicion of illegal gambling, not  
5 too often to overburden the Department but,  
6 let us say, once in every three years. Is  
7 there any merit in that suggestion, in your  
8 opinion?

9 A. I think there is merit in letting  
10 the police know. I was under the impression  
11 the chief constables have been aware of  
12 the fact that the Department has established  
13 as a cause for cancellation suspicion of  
14 illegal gaming.

15 I will say this, I am sure they are  
16 also aware, and I think an assessment of the  
17 files over the past ten years will indicate,  
18 the Provincial Secretaries have been rather  
19 hesitant to take action where there is  
20 mere suspicion. You will see that in the  
21 memos, that the references of strong  
22 evidence of illegal gaming.

23 Q. Yes.

24 A. This is an instance where, very  
25 often, it depends upon -- it is dependent  
26 to some extent upon the point of view of the  
27 Minister of the day. I still recall Mr.  
28 Danbar's statement in the House that he did not  
29 feel it was his function to usurp the  
30







1 functions of the Magistrate or the County Court  
2 Judge.

3 Q. Very well.

4 THE COMMISSIONER: There is a great deal  
5 involved in your suggestion, Mr. Lawlor.

6 MR. LAWLOR: I thought it would be  
7 better to face it at this point before I made  
8 my recommendation. I thought I should set  
9 a base for this phase, not a very good base --  
10 but I will leave it alone, except for one  
11 further question.

12 Q. It has been stated before the  
13 Commission that in only five cases has the  
14 bars and bolts clause been utilized as a  
15 grounds for cancellation. Do you agree with  
16 me, or not, that these social clubs which  
17 were utilized for gambling, each used  
18 bars and bolts in order to keep out the  
19 police?

20 THE COMMISSIONER: Of course a number  
21 of them did.

22 MR. LAWLOR: My lord, they would almost  
23 in all instances do so, and this was a good  
24 grounds at any particular time but it was  
25 never utilized.

26 THE COMMISSIONER: That is argument.

27 MR. LAWLOR: Very well.

28 Q. Mr. Yaremko, while you have been  
29 in office have you been subject to any political  
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1 influence from any source with respect to the  
2 granting of charters or the refraining from  
3 cancellation?

4 A. My lord, I am subject to your  
5 direction on this, but the question of Mr.  
6 Lawlor's would compel me to search my memory  
7 through some two and a half years, during  
8 the course of many conversations with many  
9 people. I would suggest to you that the  
10 files, the judgments, the decisions arrived  
11 at speak for themselves.

12 THE COMMISSIONER: I do not think the  
13 question is unfair.

14 A. I will say this --

15 Q. During your term of office --

16 My pressures I take it you mean some  
17 attempt to interfere with him in the honest  
18 discharge of his duties?

19 MR. LAWLOR: That is right.

20 A. My lord, no undue influence or  
21 attempt to interfere with the honest discharge  
22 of my duties has ever, to my recollection,  
23 ever taken place on the part of anybody.

24 Q. Very well. Mr. Yarenko, as  
25 the Minister in charge, I take it, you take  
26 full responsibility for your brief as  
27 submitted?

28 A. Mr. Lawlor, under our --

29 THE COMMISSIONER: Q. That is the fact,  
30



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1        isn't it, you take responsibility for the brief?

2        A.        Yes, I do.

3        MR. LAWLER: Very well.

4        Q.        Would you turn to page 82 of the  
5        brief. In the Department's observations --

6        THE COMMISSIONER: Page 82?

7        MR. LAWLER: At page 82, my lord, the  
8        second paragraph from the bottom, beginning:

9        "Since the present policy of  
10        "the Department was adopted in 1950,  
11        "the Department has cancelled for  
12        "cause the Letters Patent of 75  
13        "social clubs (69 pre-1950 incorporations,  
14        "6 post-1950), and not in one of these  
15        "cases had the Letters Patent been  
16        "issued by the Department after  
17        "July, 1950, in the face of police  
18        "objection."

19        Q.        Mr. Yarenko, I say that statement  
20        may be technically correct, but isn't it  
21        correct in your six cases that you mention  
22        in the post-1950 that these clubs had no  
23        adverse police objection for the simple  
24        reason they were not referred to the police?

25        A.        Of course, Mr. Lawler, the  
26        brief is a complete unit and on page 96 we  
27        give the relevant statistics and in Appendix J  
28        the relevant statistics as to the can-  
29        cellations.  
30







1 Q. Yes. The statement on the face  
2 of it. It is a pious point, perhaps.

3 A. I would ask you to point out to  
4 me the instances where letters patent had  
5 been issued in the face of police objection  
6 and, then, we can verify by a reference to  
7 the file.

8 Q. No. Your statement is that you did  
9 not in one of those cases -- has letters  
10 patent been issued in the face of police  
11 objection. The reason for that, I suggest  
12 to you, was that three clubs were not  
13 referred, the Roseland, the Frontier and  
14 the Vets Club? They were not referred to the  
15 police at all?

16 A. That was a comment on the statement  
17 of the Leader of the Opposition:

18 " . . . the action of the hon. Provincial  
19 "Secretary's Department in granting  
20 "charters to clubs in the face of  
21 "police objection . . . "

22 We were commenting on that specific instance.

23 " . . . and the subsequent convictions  
24 "of many clubs for gaming, . . . "

25 Because Mr. Wintermeyer had, both in his speech  
26 and subsequently, as listed in Appendix H,  
27 given a number of instances of grounds of  
28 alleged granting, to use his phrase, in the  
29 face of police objection, and we analysed those  
30







1 six cases.

2 Q. Would you turn to page 48 of the  
3 brief, Mr. Yarenko. In your comments, this  
4 is concerned with trafficking, in your  
5 comments you say at the -- There is a  
6 break in the middle of the page and, then,  
7 you begin:

8 "The Department submits that  
9 "Mr. Wintermeyer in his speech has  
10 "presented no evidence to substantiate  
11 "his allegation that there has been  
12 "'a heavy trafficking' in the  
13 "charters of 'so-called clubs'."

14 And you repeat that allegation in the  
15 middle of the next page, page 49. You say  
16 the statement is -- as sworn is incorrect.  
17 You have sat through all these hearings,  
18 have you not?

19 THE COMMISSIONER: No.

20 MR. LAWLER: Q. No, I mean, you have  
21 sat through the hearings with respect to  
22 Phase I which concerns your Department,  
23 in this room?

24 A. Most of the time.

25 THE COMMISSIONER: Most of the time,  
26 but you have not been here continuously?

27 A. Most of the time.

28 In this instance we were dealing with  
29 the speech of Mr. Wintermeyer, taking his  
30







1 statements, and we say:

2 "The Department submits that Mr.

3 "Wintermeyer in his speech . . . "

4 We were looking for evidence in the speech.

5 MR. LAWLER: Q. I see. So, your  
6 position might be a little different to your  
7 statements now, having heard the whole of  
8 the testimony?

9 A. You see, in an appendix of the  
10 brief, the Department has given the fullest  
11 of details. We have given in Appendix J  
12 all the cancellations, the causes, we have  
13 summarized and re-summarized.

14 Q. That is fine. And you mention  
15 the word "trafficking" once. If you recall --

16 THE COMMISSIONER: Put the question.

17 MR. LAWLER: Q. To-day, having heard  
18 the evidence, or as much as you have heard,  
19 do you continue to make that statement, that  
20 there is no evidence of heavy trafficking  
21 in charters?

22 A. Well, Mr. Wintermeyer made two  
23 statements --

24 THE COMMISSIONER: Q. No, no. We are  
25 trying to get away from that and get a  
26 specific question that would not permit  
27 of long drawn out answers. Make it concise.

28 Put the question again, if you want to.

29 MR. LAWLER: Q. Does your Department  
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1 continue to allege, as you have in your brief,  
2 that there is no evidence of heavy trafficking  
3 in charters?

4 A. The files of the Department indicate  
5 and this is brought out, that there have been  
6 what can be assumed to be improper transfer  
7 of charters from one group of individuals  
8 to other groups of individuals. I do not  
9 know whether the term "trafficking" is possible  
10 of a legal definition. The reasons the  
11 Department has taken action is always tied  
12 down to a specific cause, as opposed to a  
13 general term such as "trafficking".

14 Q. Mr. Yarenko, you know what  
15 trafficking means; you go to the trouble of  
16 defining it yourself in the brief.

17 A. We presume that is a decision --  
18 THE COMMISSIONER: What difference  
19 does it make, Mr. Lawlor, whether Mr. Yarenko  
20 would admit or deny that there has been  
21 evidence before me of trafficking? I will  
22 assess the evidence as best I can; despite  
23 what he might say that evidence indicates.

24 MR. LAWLOR: All right. Very well,  
25 my lord. I won't press that line of  
26 questioning, my lord.

27 I want a ruling on one point - my  
28 questioning of Mr. Yarenko is finished.

29 I have prepared -- or, was prepared to  
30







1 question Mr. Yarenko with respect to racing club  
2 charters and I want your lordship to rule  
3 against me.

4 THE COMMISSIONER: You anticipate, but I  
5 will rule against you. You are not going to  
6 be disappointed. I am ruling against you.

7 MR. LAWLOR: Very well.

8 Thank you very much, my lord.

9 THE COMMISSIONER: Is that all, Mr. Lawlor?

10 MR. LAWLOR: That is all, my lord.

11 THE COMMISSIONER: Have you any re-  
12 examination?

13 MR. WILSON: Yes, I have, Mr. Commissioner.

14  
15  
16  
17  
18 EXAMINED BY MR. WILSON:

19  
20 Q. Mr. Estey suggested the charter,  
21 physically, had to be located on the premises  
22 of the social club. Is that correct under  
23 the law?

24 MR. ESTEY: I did not suggest that at all.

25 THE COMMISSIONER: I do not remember  
26 anything like that.

27 You mean, the piece of paper?

28 MR. WILSON: That is right.

29 THE COMMISSIONER: Had to be tacked up some  
30 place?







1 MR. WILSON: Yes.

2 THE COMMISSIONER: I do not remember that.

3 MR. WILSON: Q. I will put it this way:

4 What is the requirement in that regard?

5 A. My lord, the regulation is under

6 Section 317; a copy of the letters patent

7 would have to be at the head office. Mr.

8 Estey at page 12549 indicates that the

9 charter would have to be maintained on the

10 club premises, I believe. That is the

11 impression.

12 THE COMMISSIONER: Q. That is what

13 you say?

14 A. No. He intimated in his

15 evidence (sic) the charter had to be on the

16 club premises. That is not the fact.

17 Under Section 317 a copy has to be maintained

18 at the head office.

19 Q. You are distinguishing between

20 the head office and the premises where the

21 club operates?

22 A. Yes.

23 MR. ESTEY: On occasion there is a

24 difference and on occasion there is not.

25 When you referred to my "evidence", I

26 suppose you mean my question.

27 MR. WILSON: Your question.

28 Q. When you took office on May 25, 1960,

29 you found there were certain problems in

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1 connection with social clubs, which you proceeded  
2 to deal with. Now, as of the date of Mr.  
3 Wintermeyer's speech, November 29, 1961, what  
4 was the situation with regard to these clubs,  
5 so far as your Department is concerned?

6 THE COMMISSIONER: You will have to make  
7 it more specific.

8 MR. WILSON: Possibly. I am leading up  
9 to something that will clarify it but I can  
10 make it more specific.

11 Q. As of the date of Mr. Wintermeyer's  
12 speech did you consider the statute you were  
13 operating under and the regulations you were  
14 operating under sufficient to cope with any  
15 of the problems that were then existing?

16 A. Well, I had already discussed with  
17 Mr. Gudney certain changes in policy and I was  
18 beginning by that time to have some further  
19 ideas of my own in respect to some of the  
20 problems which were confronting me and which  
21 had confronted the Ministers in the past, I  
22 assumed. I was trying to arrive at some  
23 ideas in my own mind as to the overall  
24 solution, apart from dealing with specific  
25 instances.

26 THE COMMISSIONER: That hardly answers  
27 the question.

28 MR. WILSON: Q. I have asked you, as of  
29 that date, whether you considered the regulations  
30



1. The first part of the report deals with the general situation of the country and the progress of the work of the Commission. It is divided into two main sections: the first section deals with the general situation of the country and the progress of the work of the Commission, and the second section deals with the specific work of the Commission.



1 and the law pertaining to social clubs adequate  
2 to meet any problems that were then in  
3 existence?

4 A. Yes. I believe I did. I say --  
5 My lord, I was in the process of developing  
6 ideas because by November --

7 THE COMMISSIONER: Q. We are always  
8 in the process of developing ideas but I  
9 would like to have the question answered  
10 specifically because I think it would be  
11 very helpful to me in making my report.

12 As of that date were you content or  
13 satisfied that the law as contained in the  
14 statutes and regulations were adequate to  
15 meet the problems that had and were  
16 arising?

17 That is your question?

18 MR. WILSON: That is so, Mr. Commissioner.

19 THE COMMISSIONER: Q. Now, what is  
20 your answer?

21 A. I had -- It is difficult to  
22 submit what is law, regulation and policy.

23 Q. You know what the law is. The  
24 law is that contained in the statutes. Then,  
25 you have regulations passed pursuant to  
26 power given by the statute. Now, the two  
27 combined, statute and the regulations,  
28 were they adequate for the purposes or did  
29 you -- were you of the impression there  
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1 was something lacking that you would like corrected?

2 A. You, there was.

3 Q. What was it?

4 A. I was, first, of the opinion, my  
5 lord, that if the Provincial Government could  
6 persuade the Federal Government to abolish  
7 the exception under the Criminal Code, the  
8 169(2), that a great deal of the problems  
9 confronting the Provincial Secretary and the  
10 police would disappear.

11 Following that I was confronted with --  
12 I would have hoped within the Criminal Code  
13 there was a definition of the word "social".  
14 By now, in having had to deal with a great  
15 many applications, I could see we had no  
16 four corners to deal with. The word "social"  
17 was not defined in the Criminal Code, nor  
18 the Corporations Act, not that it would help  
19 to have it defined in the Corporations Act  
20 because no definition of ours would help in  
21 the Criminal Code. I thought if the Federal  
22 Government could define the word "social",  
23 then the Provincial Secretary, in taking  
24 his action in granting letters patent, would  
25 bear in mind that this is an organization  
26 which would come within the meaning --  
27 specific meaning of the word "social" as  
28 defined by the Criminal Code. If he felt  
29 no such letters patent should issue, then,  
30 he could limit the activities of that







1 corporation to exclude the definition of the  
2 word "social".

3 I discovered in the Department, not  
4 having this sign post to go on, we were  
5 interpreting the word "social" in its broadest  
6 form, and I think Appendix F will indicate  
7 we could only refer and deal with these  
8 corporations, not only where they were  
9 community, athletic, the other definitions  
10 within Section 105 which mentions the word  
11 "social", and then the others, which would  
12 ordinarily mean they were exclusive and we  
13 were treating them as all inclusive bases.

14 Q. That is getting away from the  
15 question. You were hopeful, perhaps, the  
16 problems would be corrected or overcome  
17 if you could persuade the Federal Government  
18 to do something?

19 A. Yes.

20 Q. Had you in mind anything the  
21 Provincial Government might do by way of  
22 legislation?

23 A. Not by way of legislation but I  
24 had come to the conclusion that in the cases  
25 of applications for supplementary letters  
26 patent and in the case of applications  
27 for letters patent, where there was an  
28 objection on somebody's part to the granting,  
29 that perhaps the Provincial Secretary, either  
30







1 himself or as is customary through his Deputy,  
2 should hold a hearing. I had the instance  
3 of the Sun Sun where the solicitor used the  
4 sharpest of language because all he received  
5 was a letter saying it was not in the public  
6 interest to grant the supplementary letters  
7 patent. He was most indignant; his clients  
8 were turned down without having an opportunity  
9 of hearing what was alleged against them and  
10 giving reasons why they should be granted -  
11 that was the supplementary letters patent.  
12 On reviewing the instance where police  
13 reports have come in, they come in various  
14 categories. We have called them unfavourable  
15 and Mr. Wintermeyer said adverse reports.  
16 There was the early instance where it was  
17 refused without any reason being given, just  
18 that it was not in the public interest.  
19 Then, there were others, the Albion Self --

20 Q. Those are sufficient instances.

21 A. I was coming to the conclusion  
22 in those instances we should hold hearings.

23 Q. Was there anything to prevent  
24 you holding -- your Department holding an  
25 inquiry to determine the validity of the  
26 objection?

27 A. Up to that date the Department  
28 never had. There was no obstacle.

29 Q. You did not need a statute?  
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1 A. No.

2 Q. To authorize you to do that?

3 A. The thinking that was going in my  
4 mind, in fairness to the police and in the way  
5 they operate, the fact so much of their  
6 information is of a confidential nature, the  
7 enquiries they make, the source of their  
8 enquiries, the type of evidence they have  
9 to go on, a great deal of it having to be  
10 hearsay, I was not sure it would be fair to  
11 the police to bring them into a public forum  
12 where they would have to divulge sources of  
13 information and the basis of their argument.  
14 I was in the process at that time, primarily  
15 because of these cases I had, of weighing  
16 out the instances.

17 Now, I had one, Local 112 U.A.W.  
18 Corporation, which is under consideration,  
19 which I may say -- the police have taken a  
20 very strong stand. The applicants of the  
21 Union membership, of 2,000 --

22 Q. It is taking a lot of time to get  
23 this thing focused. Let us go back to the  
24 original question: Did you think something  
25 was lacking in the statutes or in the  
26 regulations to meet the problems that had  
27 arisen and were continuing to arise? I do  
28 not know yet just what your answer is.

29 A. Whether at that specific moment  
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1 or subsequently, there was in my mind the fact  
2 that the regulations relating, not so much to  
3 the bars and bolts clause, because we had a  
4 general policy of the cancelling for barricades,  
5 but the exception under the Criminal Code,  
6 which proviso we were inserting in the  
7 post-1950 corporations, did not exist in the  
8 pre-1950 corporations, and the gambling  
9 paraphernalia clause did not appear in the  
10 pre-1950 corporations. I do not think the  
11 Ministers had been confronted with that at the  
12 time but in my assessing -- looking back over  
13 the period I had been doing, I could see  
14 where this was a problem and that perhaps  
15 legislation should be --

16 Q. That is what I want to find out.

17 A. To make these provisos --

18 Q. Do you think there was something  
19 lacking in the legislation that would enable  
20 you to deal with that problem?

21 A. Yes.

22 Q. What was it?

23 A. That the provisions of the regulations --  
24 Consideration should be given to making the  
25 provisions of the regulations retroactive,  
26 to apply to all social clubs.

27 Q. And that could only be done by  
28 statute?

29 A. That could only be done by statute.  
30







1 MR. WILSON: Q. You are thinking in terms  
2 of Regulation 61, subsection or paragraph 23?

3 A. Yes. Some, in a different way,  
4 had been made retroactive but not all of  
5 them.

6 Q. As of the present date, apart  
7 from your observations with respect to  
8 Regulation 61, have you any problems in the  
9 administration of the law or regulations  
10 pertaining to social clubs?

11 THE COMMISSIONER: Apart from what?

12 MR. WILSON: Apart from his observation  
13 with respect to Regulation 61.

14 Q. What is the position to-day?

15 A. I think that by now the matter was  
16 well in hand. The matter of the trafficking,  
17 we have had regard to. I think the  
18 statutory provision, plus the additional  
19 information respecting the annual returns,  
20 I think we have coped with the moving about  
21 of these clubs. Now, it may not deal with  
22 the situation where a club on its own  
23 premises, where there is a change of officers  
24 and there is a change of personnel right  
25 within the premises, without moving; how  
26 you would ever cope with that situation I  
27 do not know. But, I think the business of  
28 the trafficking that has taken place,  
29 especially in view of the fact that after  
30







1 Mr. Gudney's conversation with Mr. -- Chief  
2 Mackey --

3  
4 (Page 13605 follows)





E/1/08

1 THE COMMISSIONER: Well now, wait a  
2 minute. We get a long speech, and I am not  
3 saying that critically.

4 A. No.

5 Q. I want to get to the very core  
6 of this. I think Mr. Wilson's question is  
7 prompted by this consideration, namely, in your  
8 opinion today, in the light of your experience  
9 up until today as Provincial Secretary, and  
10 in the light of the evidence before me, is  
11 there any legislation or supplementary regulations  
12 that the witness would suggest ought to be  
13 enacted or made. Is that the substance of  
14 your question?

15 MR. WILSON: Well, I want to know  
16 whether he has got any problems with these  
17 clubs as of the present date. He has observed  
18 the possibility of enacting retroactively  
19 Regulation 61 as part of the Statute as a  
20 safeguard.

21 THE COMMISSIONER: Yes.

22 MR. WILSON: But I -- What I am trying  
23 to find out from the witness is whether he  
24 has got any problems today, apart from that  
25 observation.

26 THE COMMISSIONER: And what is the answer?  
27 Yes or no?

28 A. I don't think there is a problem,  
29 but there is the possibility of strengthening  
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1 the hand of the Provincial Secretary, and  
2 with that ---

3 Q. To do what?

4 A. To -- Not to cope with what  
5 has taken place, but with a view to -- to  
6 anticipating any additional trouble. When you  
7 pose the question, my lord, to me about my  
8 thinking as of today, then I am in a position  
9 to tell you what my thinking is of today;  
10 whereas, back then it was in a procedural  
11 stage, and I make this suggestion to you, that  
12 it is my belief that the exception -- my opinion  
13 today is that the exception within the Criminal  
14 Code should be abolished. If it is not ---

15 Q. Well, the Province of Ontario  
16 has not any jurisdiction over that.

17 A. If it is not, representation  
18 should be made.

19 MR. WILSON: Q. You have dealt with  
20 that. Now ---

21 A. That there should be definition,  
22 that certain regulations should be made retro-  
23 active, that so far as the discretion of the  
24 cause of cancellation I would leave that alone,  
25 although it is true that it is, from the point  
26 of view of the Provincial Secretary, or any  
27 administrative officer, that something is  
28 automatic - if A happens, then B follows -  
29 is an easy way, but anyone who assumes the  
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1 responsibility must be prepared to deal with  
2 those responsibilities, and exercise that  
3 discretion is to someone who is conscientious a  
4 -- not an easy thing, and I think that the --  
5 although it presents problems, I think that  
6 the Provincial Secretary, and any Minister, by  
7 and large, you assume that responsibility.

8 THE COMMISSIONER: All right, we have  
9 that now. Anything else?

10 MR. WILSON: Maybe I can get a little  
11 more light whether - just listen to this  
12 question.

13 Q. I want to get some light on what  
14 I am trying to find out. As of the present  
15 date, have you any complaints in your Department  
16 from any police authority which have not been  
17 attended to by way of either saying that is  
18 not sufficient to act on, or where you have  
19 put into process some cancellation proceedings?

20 A. We have been able to deal with ---

21 Q. Now, just listen to the question.

22 THE COMMISSIONER: Have you any?

23 MR. WILSON: Have you any complaints now  
24 that have not been dealt with to date?

25 A. No complaints.

26 Q. No. Well, that is what I am  
27 asking you. Now, there has been <sup>some</sup> reference  
28 yesterday to your practice or policy in regard  
29 to prosecutions of Part III corporations. Is  
30

[illegible]





1 there any difference between that policy in  
2 respect to Part III corporations, and  
3 corporations generally under The Corporations  
4 Act?

5 THE COMMISSIONER: Yes or no?

6 A. No, there is no difference.

7 MR. WILSON: Now, my friend, Mr. Estey,  
8 said yesterday there was a Blub Bernard and  
9 he said it was the worst example of a delay,  
10 and I don't think we touched on that very much  
11 in the evidence, and I would ask you to produce  
12 that file, and there are just two questions I  
13 want to ask about it.

14 THE COMMISSIONER: Was it referred to  
15 in the examination of Mr. Cudney?

16 MR. WILSON: No, I don't think it was,  
17 Mr. Commissioner.

18 THE COMMISSIONER: All right.

19 MR. WILSON: But in view of the statement,  
20 I just briefly want to ---

21 MR. ESTEY: I think it was, some place.

22 MR. WILSON: Well, in that file I think  
23 you will find - he said there had been a  
24 delay from '55 to '61. I think you find  
25 in that file a police report dated in 1955  
26 from Inspector Walker - October 6th, 1955.  
27 That is from the Metro Police.

28 A. Yes, there is such a report  
29 in the file.  
30







1 Q. And then is there a reply to  
2 that report by Mr. Gudney?

3 A. Yes, on October 17th Mr. Gudney  
4 wrote to Chief Chisholm:

5 " I refer to your letter of  
6 "October 7 relative -- "  
7 which enclosed the report, -

8 "-- relative to the above club.

9 " I would appreciate it if  
10 "Inspector Walker and any other  
11 "members of your Department that  
12 "you may choose could arrange an  
13 "appointment to see me in this  
14 "matter."

15 Q. Now, then, is there a further  
16 letter from Mr. Gudney to Inspector Walker of  
17 November 25th, 1955?

18 A. There is, and it reads as follows:

19 " I refer to our conversation  
20 "of some time ago relative to the  
21 "above club.

22 " I have discussed this matter  
23 "further with Mr. Dunbar and I regret  
24 "to advise that on the evidence before  
25 "us it would not be possible for us  
26 "to cancel the Letters Patent of  
27 "this Club under Section 325(1)  
28 "of The Corporations Act, 1953. If  
29 "you can find some further evidence  
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93. subject, and the second part is a detailed  
94. study of the particular case.  
95. The first part is divided into three parts.  
96. The first part is a general survey of the  
97. subject, and the second part is a detailed  
98. study of the particular case.  
99. The second part is divided into two parts.  
100. The first part is a general survey of the  
subject, and the second part is a detailed  
study of the particular case.





1 "of misconduct on the part of  
2 "this Club we will give every  
3 "consideration to cancelling  
4 "the Charter."

5 Q. Now, after that date, is there --  
6 what is the next communication from the Metro  
7 Police, or any other police?

8 A. There is a letter received on  
9 June the 7th, dated June the 6th, from Chief  
10 Mackey to Mr. Cudney enclosing a report.

11 Q. What year?

12 A. 1961.

13 Q. Yes.

14 A. And that is enclosing a report  
15 dated June 1st, 1961.

16 Q. And as a result of that report,  
17 you took proceedings, and the charter was  
18 cancelled on July 10th, 1961?

19 A. Yes, that is a fact.

20 Q. Now ---

21 MR. ESTEY: Well, that is not really a  
22 fair way to leave it, is it, my lord? I have  
23 got my notes on that. I think there is no  
24 evidence of any hearing being held in 1955.  
25 Perhaps that question should be put.

26 MR. WILSON: No what?

27 MR. ESTEY: Whether a hearing was held  
28 in 1955, or whether that was just ---

29 MR. WILSON: Q. Well, was there a hearing  
30







1 held in 1955?

2 A. There is no statement as to  
3 the hearing. There is that letter of Mr.  
4 Cudney's asking for Inspector Walker and any  
5 other members of the Department to make an  
6 appointment to see me in this matter.

7 MR. WILSON: That is all, thank you.

8 THE WITNESS: My lord, there was --  
9 You were referring to certain suggestions  
10 about my thinking, and there were two others  
11 that I --

12 THE COMMISSIONER: Yes.

13 A. -- perhaps might place before you.

14 Q. Rather out of off at that point.

15 A. One was with relationship to  
16 the matter of prosecutions under The Corporations  
17 Act. I had discussed with Mr. Cudney during  
18 the time about this, about the procedures of  
19 the Department, and they are familiar to you.  
20 If there are assets, we prosecute; if there  
21 are no assets, we take this failure to file  
22 annual returns.

23 And then, with respect to these complaints,  
24 there was cancellation, and it was felt by  
25 the Department that once you cancelled,  
26 and got rid of the -- of the cancer, that it  
27 perhaps was the solution. In ~~xxxx~~ reviewing  
28 the matter, of course, the Department was  
29 confronted with the section - with the provisions  
30



The first of these is the fact that the  
 government has been unable to raise the  
 necessary funds to meet its obligations.  
 This is due to a number of factors,  
 including the fact that the government  
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1 in the Securities - the Summary Convictions Act,  
2 the six-month limitation provision. I have  
3 no strong views, but it has been brought to  
4 my attention that under the Securities Act,  
5 there are penalty sections, Section 64 and  
6 65(2), which reads briefly as follows:

2/3  
7 " No proceedings under  
8 "Section 64 shall be commenced  
9 "more than one year after the  
10 "facts upon which the proceedings  
11 "are based first came to the  
12 "knowledge of the Commission."

13 THE COMMISSIONER: What section of the  
14 Securities Act is that?

15 A. That is reading 64, and 65,  
16 subsection 2 together.

17 And then there is the ---

18 Q. Oqthend.

19 A. -- difficulty of proof under these -  
20 under these -- some of these certificates, and  
21 again, without having a very strong view, I  
22 bring to your attention that under Section 5  
23 of The Corporations Information Act, in relation  
24 to prospectus, there is a shifting of the onus,  
25 and if I may in my own words paraphrase, that  
26 they are -- I have my memo here, shift in the  
27 onus of proof respecting the general penalty  
28 section of the Corporations Act, along in the  
29 lines of Section 5 of the Corporations Information  
30







1       Act re prospectuses, where the defendant has  
2       to prove that he had reasonable grounds to  
3       believe.

4               Now, I put those two items before you,  
5       without any strong feelings, but they are --  
6       they are fairly radical steps which we are  
7       checking to see what is the best, I believe,  
8       to take care of certain difficult situations,  
9       perhaps comparable to the present time.

10              I have also considered the matter of  
11       appeals from decisions of the Minister. I am  
12       one of those, and I think it is well known to  
13       the public at large, and most of my own colleagues,  
14       about the fact that I have always been a  
15       great believer personally in appeals to the  
16       court, but reference has been made to the  
17       Committee on Organization, the MacIntosh,  
18       Wagone, Gordon report, and the first Board  
19       from which there is an appeal is that of  
20       the Liquor Licence Board, which passed in the  
21       last Session.       The Act which comes under  
22       my jurisdiction ----

23              THE COMMISSIONER: I think I should  
24       stop you abruptly.       Well, no, I will not  
25       just stop you at the moment.       Are you leading  
26       up to the suggestion that there should be an  
27       appeal?

28              A.       I have no -- That is a matter  
29       which I place before you for consideration, where,  
30

The first part of the document is a letter from the Secretary of the Board of Education to the President of the Board of Trustees. The letter is dated January 1, 1900, and is addressed to the President of the Board of Trustees of the University of California. The letter discusses the progress of the Board of Education and the various projects that are being undertaken. It also mentions the need for more funds to support these projects and the importance of the Board of Education in the development of the University.





1 in some of these instances, the penalty is  
2 quite a severe one, when you cancel, and I  
3 am not talking about those which are notoriously  
4 reputed for illegal gaming, I am talking about  
5 perhaps where a bona fide social club transgressed  
6 against one of the provisions, and the Minister  
7 makes a finding upon it, which is a very  
8 strict penalty. He wipes out the very  
9 existence of the organization. I have no  
10 strong views, and I have placed it before  
11 you that you might give consideration whether  
12 in some of these instances there ---

13  
14 Q. It would be futile to give a  
15 right of appeal against a discretionary order.

16 A. I appreciate that.

17 Q. No court is going to review  
18 the discretion exercised by an officer from  
19 whom the appeal is taken.

20 A. Unless it was made statutory.

21 Q. Pardon?

22 A. Unless it were made statutory.

23 Q. Unless what was made statutory?

24 A. A right of appeal.

25 Q. Well, there would not be any  
26 right of appeal unless it was statutory.  
27 No court of appeal is going to review the  
28 discretion - the honest discretion exercised by  
29 the original officer.

30 A. They haven't done it.



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1 THE COMMISSIONER: And I don't think  
2 they ever would. You are putting the court  
3 of appeal in the position of the original officer.

4 A. Yes, my lord.

5 Q. Now, is there anything else?

6 A. Now, I would ask your indulgence,  
7 if you would turn to Appendix J of the brief,  
8 my lord, and if you would turn to page 7.

9 Some question was raised, I believe,  
10 directly or indirectly, as to the timing of  
11 the cancellations, and I would ask you, if  
12 you would be kind enough, to make the following  
13 note on your file, and I only deal with post  
14 May the 26th, 1960, and if you look at No. 58,  
15 June the 3rd, Centre Road Veterans Association.  
16 If you will write under that the word "hearing".  
17 That was an instance where there was a hearing,  
18 and I am going to indicate to you, for your  
19 record, that you will know that - have a  
20 record of those instances where there were  
21 hearings, and where there were no hearings.  
22 asked for, and cancellation followed.

23 Q. All right. 58 is one of them.

24 A. 60, Central Recreation Club is  
25 a hearing.

26 And then the next page you will note  
27 is the fall of 1960, and the beginning of 1961,  
28 and there are cancellations which have been  
29 going regularly, even though Mr. Gudney was away  
30



100-443487-100





1 because of illness, and there were no hearings  
2 requested in those.

3 And then the next one we come to on  
4 page 9, to 72, the Community Social Club,  
5 and there is <sup>a</sup> hearing.  
6 ^

7 And then we come to No. 74, 75, 76 and  
8 77, Chan Social Club, a hearing; Club Macedonia,  
9 a hearing; Preston Amateur, a hearing; Colonial  
10 Club, a hearing.

11 And when I had a meeting with Mr. Gudney  
12 in May of that year, I was reviewing, I had  
13 said to him, said, "Bob, let's establish a  
14 target date to get all these things cleaned  
15 up", and the target date would be the commencement  
16 of the Session in the fall. I said, "Do  
17 your best to get those lawyers to have their  
18 hearings prior to that", and it is <sup>to</sup> not an  
19 easy task, fix a date for hearings, and the  
20 result was that Mr. Gudney - the Session, I  
21 believe, started on the 22nd of November -  
22 in those four instances that people have held  
23 hearings, and placed the transcripts on my  
24 desk on the 24th of November. So that all  
25 those -- those instances were before me on  
26 my desk as of the 24th of November for my  
27 consideration. I would have to read, as  
28 was my custom, the whole file, and the  
29 transcript.

30 Now, turning over the page, there are







1 three clubs there, the Ace Card Club, No.78,  
2 79 and 80, Ace Card Club, Club 21, New  
3 Canadians, and they all had hearings, and  
4 examined the files. Well, in those cases,  
5 Mr. Cudney was unable to, not because he didn't  
6 want to, but because it was a difficult time  
7 to fix a time when the solicitors or perhaps  
8 with the officers, to hold hearings, and those  
9 hearings were not held until subsequently,  
10 and the transcript of evidence, but they relate  
11 to proceedings which had been instituted prior  
12 to the 29th of November.

13 Now, if you can just make a note at  
14 the bottom of the page that since No.80, there  
15 have been four cancellations without hearings,  
16 and then six cancellation proceedings where  
17 hearings are in course or to be held, and I  
18 have the details of those, and since that time --

19 Q. Just give me that again.

20 A. There were four cancellations  
21 since No.80, where -- without hearings.

22 Q. Yes.

23 A. Well, then, that is listed in  
24 Exhibit 271, plus six cancellation proceedings  
25 where hearings are in course. I think they  
26 are in course, and the other five, they have  
27 yet - the hearings have yet to be held.

28 Q. Well, I don't get that six.

29 A. There are six -- six pending.  
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1 There are six files which are pending.

2 Q. At present?

3 A. At present. One is -- One had  
4 commenced a hearing, and then there was an  
5 adjournment, and in the other five the dates  
6 for the hearings have not as yet been fixed,  
7 as was explained in the course of the hearing.

8 Q. All right. Is that all?

9 A. That is all in respect to that.

10 Now, I think that during the course of  
11 the examination of Mr. Gudney, Mr. Estey from  
12 time to time would say - would refer to a  
13 memo, and then would say, "Is there an  
14 answer to that memo in the file" and there was  
15 no answer, and I suggest now that invariably  
16 what would happen, as is our practice, that  
17 Mr. Gudney would send me these memos in  
18 advance, for me to be able to read in conjunction  
19 with - at my convenience I looked over the  
20 matters which I have before me, and then I  
21 would call him in. He would come to the  
22 door and we would have an oral discussion,  
23 and then the next step in the file would  
24 indicate that we had had an oral discussion  
25 and he was proceeding in the matter.

26 Q. All right. Anything else?

27 A. I conclude by saying to you,  
28 my lord, that I have worked with Mr. Gudney,  
29 who has had an experience of over 31 years, to  
30



There was a little more to be said.

It was a little more.

It was a little more.

There was a little more to be said.

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It was a little more.





1 my mind is one of the, if not the outstanding  
2 man in the corporate field, and the administration  
3 in the Dominion of Canada. He has with him  
4 Mr. Lavine as director of companies, a post  
5 which was created by Mr. Cudney and myself in  
6 the last two years, and Mr. Lavine, I believe,  
7 is one of the most brilliant minds within  
8 the corporate field. We have in the  
9 Department a Mr. Daley, senior executive officer,  
10 and assistant Mr. McCormack, whom you have  
11 seen here. They are in charge of the records  
12 department. Their job, just in keeping the  
13 records of the Department of the Provincial  
14 Secretary, is to me an astounding accomplishment,  
15 when you consider the fantastic number of  
16 files, the job they have done, as is set  
17 out in very summarized form on here, where  
18 we dealt with some 450,000 documents having  
19 been processed in the last ten years. I  
20 pay tribute to them. They are utterly  
21 devoted civil servants.

22  
23 About my predecessors, I only say this:  
24 That the foundation that they made, and the  
25 policies they developed, provided me with the  
26 sinews, provided them with the sinews and  
27 provided me with the sinews to adequately  
28 cope with the problems presented by the police  
29 from time to time when they were presented  
30 to us, they - and always to me and Mr. Cudney,

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1 and I have always said to him that of the  
2 13 years of the last 16 or 19 years, the  
3 bulk of the time the office has been held by a  
4 man who is not a lawyer. I don't say whether  
5 that is a good thing or a bad thing. I happen  
6 to be a lawyer. They were fortunate that they  
7 had, I believe, the common sense, the good  
8 judgment, assisted by the technical-legal  
9 knowledge of Mr. Gudney, and his advice, able  
10 to deal with the problems that were confronting  
11 them within this particular field, which is  
12 a comparatively small field within the -  
13 though an important one - within the Department.

14 And my last words are to you, my lord,  
15 are these: That on the 26th of May I took  
16 an oath that "I do solemnly swear" - "solemnly  
17 promise and swear that I would duly and  
18 carefully and to the best of my skill and  
19 ability exercise the confidence and trust  
20 imposed in me as Provincial Secretary of  
21 the Province of Ontario". I believe -  
22 "so help me God". I believe I have done so.

23 Q. All right.

24 MR. WILSON: That is it.

25 THE WITNESS: Thank you, my lord.

26 May I be excused?

27 THE COMMISSIONER: Yes. Thank you.

28 ---The witness withdrew.  
29  
30







1 MR. WILSON: That is all the evidence  
2 on question 1.

3 I suggest we have a short break before  
4 we renew.

5 THE COMMISSIONER: I want to deal now  
6 with the matters raised by Mr. Brewin yesterday.

7 MR. WILSON: Yes.

8 THE COMMISSIONER: Yesterday Mr. Brewin  
9 made the following submissions, and with  
10 respect to which I said I would announce my  
11 decision when the evidence had been completed.

12 The submissions were that parts of  
13 the evidence touching question 3 should be  
14 either given or the effect of it announced to  
15 the public. Question 3, on which I have been  
16 asked to inquire and report, is the extent  
17 of crime in the Province, and the sufficiency  
18 of the enforcement agencies to cope with it.  
19 I am very firmly of the opinion that all the  
20 evidence relative to that question should be  
21 heard by me in camera. That evidence will  
22 touch upon the enforcement of the criminal  
23 law by the police, and it would not be in the  
24 best interest of the repression of crime  
25 by those agencies that the methods adopted,  
26 whether they are adequate or inadequate,  
27 should be the subject of public discussion,  
28 so that the criminal elements may be able to  
29 read about it in the press. That is something  
30







1 which should be withheld from the criminal  
2 elements.

3 Mr. Brewin supplemented his submissions  
4 relative to that particular subject by  
5 suggesting that the public should be educated  
6 with respect to the consequences that can flow  
7 from a possible upsurge in crime, the failure  
8 to repress crime, that that education might  
9 be received by the public through evidence  
10 taken at a public hearing. The better way,  
11 in my opinion, in which to educate the public,  
12 if that is what Mr. Brewin had in mind so far  
13 as this Commission is concerned, is to do so  
14 through the report that I shall make.

15 Mr. Brewin's second submission was that  
16 representations by counsel for the Liberal  
17 Party and the New Democratic Party as to the  
18 evidence, and what it disclosed, and what  
19 conclusions I should reach as a result of it,  
20 should be made in public. I disagree.

21 Having regard to the very nature of  
22 this inquiry, there was bound to be some  
23 political overtones from time to time. I have  
24 struggled to reduce them to the minimum. My  
25 function is to find facts.

26 Counsel for the Opposition parties  
27 asked that they should be permitted to examine  
28 witnesses, call witnesses, by way of assisting  
29 me with respect to the fact-finding jurisdiction  
30







1 conferred upon me. I welcome that assistance.  
2 I will welcome the assistance of those  
3 counsel in making submissions to me as to  
4 what the evidence disclosed. Mr. Brewin  
5 was realistic enough to admit that there would  
6 be temptations present upon those counsel to  
7 do perhaps more than that, and I am fully  
8 conscious what those temptations would be,  
9 and I do not want this Commission to be  
10 a sounding board for political speeches,  
11 opinions, propaganda, which might be the subject  
12 matter for discussion in some other form.

13 So my ruling is that those submissions  
14 will be in camera.

15 Now, Mr. Brewin made a third request,  
16 and I am not quite so sure that I remember  
17 what it was.

18 MR. LAWLER: Calling Chief McGill.

19 THE COMMISSIONER: Oh, yes. Well, he --  
20 I thought he rather withdrew that. He  
21 suggested that.

22 MR. WILSON: I think he did withdraw  
23 it.

24 THE COMMISSIONER: Yes. Well, in case  
25 he didn't, if I have to deal with Mr. Brewin's  
26 submission yesterday that I should direct that  
27 Chief McGill be recalled, then I decide against  
28 him.

29 Are all of you rising to say something?  
30





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1 MR. LAWLER: If your lordship is  
2 finished, I would like to make some remarks.

3 THE COMMISSIONER: Directed to what?

4 MR. LAWLER: To direction from your lordship  
5 to counsel touching another matter which was  
6 not mentioned by your lordship, with respect  
7 to phase 3. I don't know -- I don't recall --  
8 did Mr. Brewin not object to the lack of  
9 counsel present at that - during those  
10 particular proceedings?

11 THE COMMISSIONER: I think perhaps he  
12 did.

13 MR. LAWLER: Then, with your lordship's --  
14 I would ask your lordship to rule on that,  
15 as to whether counsel will or will not be  
16 present on that occasion - those occasions.

17 THE COMMISSIONER: Is that all? I say,  
18 is that all?

19 MR. LAWLER: No.

20 The second matter, my lord, with respect  
21 to submissions that we are to make in camera,  
22 is it my understanding that we are not free,  
23 or are we free, to make disclosures of what  
24 we submit to your lordship in public  
25 subsequently?

26 THE COMMISSIONER: Anything else?

27 MR. LAWLER: No, my lord.

28 THE COMMISSIONER: Thank you. I will  
29 deal with those right now.  
30







1                   With respect to the submission which  
2                   Mr. Lawlor has just made, with respect to  
3                   the hearing - hearing on question 3, his  
4                   submission carried the innuendo, and correct  
5                   me if I am wrong, that counsel for the opposite  
6                   parties ought to be permitted to be present.

7                   MR. LAWLOR: Yes.

8                   THE COMMISSIONER: Thank you. My answer  
9                   is no. The function of counsel is to assist  
10                  the Commissioner, and without meaning to  
11                  be egotistical, I think I can resolve that  
12                  problem adequately, and do not require the  
13                  assistance of counsel.

14                 To a large extent, that evidence will  
15                 deal with statistics. Counsel cannot alter  
16                 statistics. It will deal with police methods,  
17                 and whether something is lacking, and whether  
18                 there is room for improvement, and the policies  
19                 adopted by the police for repression of crime.  
20                 I do not suppose counsel for the Opposition  
21                 parties know any more about that than I do.

22                 Second, as to whether or not counsel  
23                 for the Opposition parties will be free to  
24                 make disclosures of the statements made by  
25                 them on questions 1 and 2 in camera. I have  
26                 no jurisdiction over what counsel may disclose.

27                 Those submissions will be recorded.  
28                 I shall have them. If counsel desire to  
29                 comment on them outside this Commission, I know  
30

[illegible]





1 of no reason why they are not at liberty to  
2 do so. I am not going to attempt to prevent  
3 them from doing so. As to why they should,  
4 is quite another matter, unless it would be for  
5 purposes of political propaganda, and I can  
6 control that within the confines of this  
7 Commission. I cannot confine -- I cannot control  
8 it beyond.

9 And that completes the evidence, Mr.  
10 Wilson?

11 MR. WILSON: That is right, Mr.  
12 Commissioner.

13 THE COMMISSIONER: For any public hearings.

14 MR. WILSON: Public hearings.

15 THE COMMISSIONER: And before I rise,  
16 I desire to say to all who have assisted in  
17 this inquiry that I am very grateful for the  
18 assistance that they have given me.

19 A huge task confronts me now, namely  
20 completing my report. I will address myself  
21 to it without delay, and complete it just as  
22 quickly as is humanly possible to do so.

23  
24  
25 ---whereupon the hearing concluded at 11:40  
26 o'clock, a.m.  
27  
28  
29  
30











ROYAL COMMISSION ON CRIME IN ONTARIO

Consolidated Index of Witnesses







# ROYAL COMMISSION ON CRIME IN ONTARIO

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